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WEST EUROPE REPORT

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DETAILS OF SDP FACTIONS' MANEUVERING IN SECURITY DEBATE REPORTED

Copenhagen BERLINGSKE TIDENDE in Danish 5 May 84 p 11

[Article by Michael Ehrenreich: "A Single Word Threatened the Unity of the Social Democratic Party's Folketing Group"]

[Text] Whether "especially" was to be included or not was the question. Four members of the Social Democratic Party's Folketing group threatened to refuse to support the security policy agenda unless it was couched in the original wording of Folketing Group Spokesman Lasse Budtz. Anker Jorgensen yielded to the four to ensure a united Folketing group.

In its extent, the Social Democratic Party's most recent security policy agenda is the longest agenda the Folketing has adopted in many years by a good three quarters of an A4 page, but nevertheless it was a single four-letter word in the wordy work that agitated the minds of the members and threatened the unity of the Social Democratic Folketing group before the security policy debate began in the Folketing Hall. At that group meeting, Folketing member Robert Pedersen got three other members to go along with him to some extent, and all of them stated that they would only support the agenda if the word "especially" was deleted from the text.

The leadership of the Folketing group, headed by Anker Jorgensen, supported the use of "especially" in the agenda but yielded in order to ensure the backing of all the members of the group.

Since the group meeting, the dispute about "especially" has been interpreted in a very great number of different ways among the sections of the Social Democratic Folketing group who perceive security policy in different ways. Older group members in opposition to the party's tightened-up attitude on security policy call the conflict a victory, while supporters of the new line describe the discussion as trivial. Group members who are best described as falling between the two extremes say that this was a process of hair-splitting whose political undertones can only be evaluated with difficulty.

Prepared Since 12 April

The report on this most recent (for the time being) missile agenda dates back to 12 April 1984, when the Social Democratic Party had a theoretical debate on security policy lasting for hours at an evening group meeting. At that meeting, the leadership stated that the course it had pursued up until then had been supported--aside from Robert Pedersen, who went all the way back to the Social Democratic Party's attitude toward government's position in the late 70's in a very long speech.

In his speech, Robert Pedersen referred among other things to statements by Anker Jorgensen and Kjeld Olesen, as Prime Minister and Foreign Minister, respectively, in the former Social Democratic government.

His speech was dismissed by Group Chairman Anker Jorgensen as an excellent historical account, but one that was out of step with the changes in security policy developments since 1979 that are the Social Democratic Party's grounds for its tightened-up line.

The evening group meeting did not discuss the draft agenda itself, but it submitted its reflections on the wording for deliberation higher up in the Social Democratic group's decision-making system. And there the wording was subjected to very thorough discussion.

In regard to the questions concerning intermediate-range missiles, a freeze on the production of nuclear weapons, the Nordic countries as a nuclear-weapons-free zone and Denmark's attitude toward nuclear weapons on Danish soil in wartime, it was clear to the leadership of the group that they had to do with subjects here that were capable of splitting the group apart if the final text was not written with great care.

Special Committee

The first draft was written by Lasse Budtz and Kjeld Olesen and then discussed in a committee that was made up of Anker Jorgensen and Knud Damgaard, plus Poul Sogaard on occasion, among others, in addition to those two.

From there the discussions moved on to the Social Democratic members of the Foreign Policy Board, the foreign affairs committee and the defense committee.

Then they moved back again to the regular group in charge of leadership of the Folketing group before the agenda could be submitted to the Folketing group on Wednesday, 2 May 1984.

During these preparatory discussions, they were supposed to come up with a wording that accentuated their opposition to nuclear weapons impressively and yet, at the same time, could not be made use of by the Socialist People's Party and the Left Socialist Party to raise doubts about NATO's reinforcement agreements--a debate the Social Democratic Party does not want.

The fact that a stressing of membership in NATO could not simply be written into the agenda was owing, in plain words, to the fact that if that was done it would be possible for the agenda to be voted down because the Socialist People's Party is openly opposed to membership in the alliance.

The final draft was submitted by Lasse Budtz at the group meeting, and the discussion concerning "especially" began immediately after that was done.

It was stated in the introduction that "the Folketing calls upon the government to work in NATO and other international organizations for the purpose of seeing to it that Denmark remains free of nuclear weapons in peacetime, times of crisis and wartime, doing so especially by promoting plans for making the Nordic countries a nuclear-weapons-free zone in the larger European context."

Four Objected

First Erik B. Smith, and then Robert Pedersen, Poul Sogaard and Erling Olsen, however, objected to "especially" and said they would not support it in the Folketing Hall. Erik B. Smith, Poul Sogaard and Erling Olsen pointed out that the Nordic countries should not be emphasized as a nuclear-weapons-free zone because, in their opinion, there were many other answers to one's attitude toward nuclear weapons in wartime. Robert Pedersen objected to several other wordings in the draft for the text of the agenda.

During the debate, Anker Jorgensen supported the word "especially," but he also said that "and" and "among other things" had been considered in the earlier deliberations. Knud Heinesen and Knud Damgaard also supported the draft that had been submitted.

The political spokesman, Svend Auken, wanted "especially" to be deleted if that would produce unity in the group, and that was the result at which they arrived when Anker Jorgensen concluded the debate.

In his conclusion, Anker Jorgensen stressed how important it was for the group to be united and said that the agenda would lose effectiveness if all of them did not favor it. Only Robert Pedersen continued to withhold his support, but he, too, voted along with the group when the agenda was adopted in the Folketing the next day with the support of the Socialist People's Party and the Radical Liberal Party.

9266

CSO: 3613/151

LABOR PARTY WANTS CUT IN NUCLEAR TASKS, DEFENSE BUDGET

Rotterdam NRC HANDELSBLAD in Dutch 1 May 84 pp 1, 3

[Article: "Labor Party Proposes 7.2 Billion Cut For Defense"]

[Text] The Hague, 1 May--Up to 1993 7.2 billion guilders less should be spent on defense than has been estimated in the recent defense budget of the Lubbers cabinet. This is the opinion of the Second Chamber section of the PvdA [Labor Party], published today in a declaration "Peace and Security".

The declaration drawn up by former minister A. Stemerding, argues--in accordance with the election program of the PvdA--that the six Dutch nuclear tasks should quickly be reduced to one, i.e. the Lance system of the army corps. In connection with the arguments of the Palme report for nuclear-free zones in Europe which was supported earlier already by the PvdA, the nuclear artillery is to disappear. The nuclear task of the navy (Orion planes), the nuclear mines of the land forces and the nuclear task of the air force planes (F-16) have to be terminated. NATO-plans to possibly get more pieces of artillery ready for nuclear use, are rejected. The nuclear alarm function of (planes on) the Volkel base has to be terminated.

The PvdA section is in favor of terminating the nuclear Nike anti-aircraft system but contrary to the cabinet, is not in favor of ordering conventional Patriot missiles which it had cancelled in the framework of its cut-back plans.

The Netherlands should become free of nuclear arms but in such a manner that a nuclear-free Europe also becomes more possible. This is what is said in accordance with the election program. Therefore, for the present the nuclear task of the Lance has to be maintained in order to still be able to influence NATO's nuclear policy.

The PvdA section wants to implement the proposed cut-backs by way of

- reduction of nuclear tasks;
- raising the retirement age for the military and slower promotions;
- reducing the number of land force battalions from 2 to 14 "old style" or 12;

- cutting ammunition purchases and reducing investment programs, among others 500 million on the item "other projects" of the navy, 500 million and 365 million by abandoning the multiple missile launcher system and the transport helicopters of the land forces respectively, 455 million by abandoning Patriot deployment in the Netherlands and reductions in the guided weapon component of the air defense (140 million) and part of the estimated air transport capacity (250 million).

The PvdA rejects the estimates of the defense budget--up to 1987 2 percent more per year and thereafter 3 percent. It thinks that these are undesirable during a period of cut-backs. The fact that the budget of the cabinet does not take set-backs into account sufficiently, is also criticized.

In the PvdA declaration integration of the East-West negotiations on strategic and medium-range weapons is requested. It is critical of the NATO strategy of flexible response; nuclear determent threatens to deter those people more who have to be protected than the potential opponent. Offensive strategies--the so-called Air-land Battle Plan is mentioned as an example--are rejected.

NATO's defensive objectives have to be strengthened, with emphasis on war-preventing and crisis-controlling capabilities. For that purpose, supplies have to be increased, the provisions to transport American reserve troops have to be improved and in the Federal Republic an additional defense line should be built up from (reserve) units with mainly portable anti-tank and anti-aircraft defense weapons, according to the PvdA declaration.

12433

CSO: 3614/80

GRO HARLEM BRUNDTLAND: LABOR PARTY READY TO SEEK CONSENSUS

Oslo AFTENPOSTEN in Norwegian 14 May 84 p 3

[Op Ed Article by Labor Party leader Gro Harlem Brundtland]

[Text] AFTENPOSTEN (Terje Svabo, 12 May) presented a completely false picture of the deliberations held by the Foreign Policy Committee on the one point where it looks as if it will be very hard to reach agreement. This applies to the statements regarding the negotiating situation on medium-range missiles in Europe. A public debate based on what happened internally in an interparty working group before the process is completed could create problems in itself. When the information is quite wrong, the damage could obviously be even greater.

As spokesman for the issue, I have tried to be very restrained about making any kind of comment. But after the radio made false reports on 11 May and AFTENPOSTEN later did the same, I feel I must provide correct information.

Reports in various Oslo newspapers on 12 May make different comments on the willingness to negotiate and who is putting pressure on whom. That is quite natural. Even so, allegations that are presented as facts should also be correct.

The fact that the Conservative parliamentary leader went on radio and TV on 11 May and drew conclusions before the negotiating process in the committee and in the various groups has been completed further increases the need for correct information.

Svabo writes the following: "Here the Labor Party supports a halt to NATO deployment if the Soviet Union returns to the negotiating table in Geneva. The Conservative Party cannot accept this since such a step violates NATO's double decision."

We are proposing something different: that both NATO and the Warsaw Pact countries stop deploying missiles for the time being, both in the East and in the West, as a step toward inspiring confidence so that negotiations can get under way again. At the same time we propose that the Soviet Union abandon its demand for NATO removal of all missiles deployed in the West before new negotiations can commence.

That is what the Conservatives simply cannot accept. Svabo writes that "such a step violates NATO's double decision." Many people would completely disagree with that, for the double decision emphasizes achieving results through negotiations. Svabo then writes: "To reach agreement, the three government parties worked out a compromise proposal which was presented to the Labor Party yesterday. This indicates that Norway supports a temporary halt in deployment after the Soviet Union has resumed negotiations, on the condition that the Soviet Union halts its own deployment."

This is also wrong. I have not received any proposal along these lines from the three parties. Unfortunately, I might say. Therefore it is also incorrect to say that the "Labor Party rejected the proposal."

In conclusion, let me refer to what other newspapers representing other interests had to say on the actual developments in this matter.

VART LAND: "The Conservative demand could lead to a government crisis." NATIONEN gave a more concrete description of the proposal made by the non-socialists: "The Conservatives were willing to go so far as to advocate a western evaluation of the tempo and extent of the future deployment of its missiles in western Europe as long as the Soviet Union comes up with viable offers during negotiations."

This is no more than reiterating a self-evident fact. In reality it is just a repetition of the wording of the double decision.

In conclusion I would like to say that the Labor Party has not locked any doors. We will not do so before a recommendation has been made. We must now wait for the completion of the political process on the nonsocialist side.

6578

CSO: 3639/116

CP NEWSPAPER REPORTS ON PARTY CHAIRMAN'S AFGHAN VISIT

Copenhagen LAND OG FOLK in Danish 18 Apr 84 p 1

[Article by Klaus Larsen: "Increasing Support for the Afghan Revolution"]

[Text] "For one thing, our trip to Afghanistan was a part of our agreement with our Afghan brother party regarding the exchanging of visits and orientation. But it also constitutes a counterweight to the one-sided, prejudiced propaganda against Afghanistan in the Danish communications media," said Jorgen Jensen, the chairman of the Communist Party of Denmark.

No Hatred of the Soviet Union

Jorgen Jensen held a press conference with Danish journalists on Tuesday afternoon, 17 April 1984. Having just returned from a week's stay in Kabul and trips to provinces and villages near the Afghan-Pakistani border, Jorgen Jensen also said he felt that the orientation he was able to find concerning Afghanistan in Danish newspapers before his departure was even more distorted than he had expected.

"For example," he said, "there is no talk at all of hatred of the Soviet Union in the sense with which we are familiar in Denmark. Even those who are opponents of the revolution and the new situation are motivated by other things than such hatred. They are motivated, in the first place, by fear that Islam is in danger, and, in the second place, they feel that there is no guarantee that the Soviet troops will withdraw from Afghanistan."

Together with Frank Aaen, a member of the Central Committee of the Communist Party of Denmark, and LAND OG FOLK's Moscow correspondent Johan Suszkiewicz, who went along on the visit, Jorgen Jensen not only met with representatives of the government, the party, the army and the militia and visited factories, farms and remote rural districts, but the delegation also talked with some of the total of approximately 30,000 priests, a large number of whom are gradually coming to support the government and the reforms, and it also met with a group of former counterrevolutionaries who had abandoned the fight against the revolution and now led a local self-defense group in a village where the population itself performed the task of defending against the counterrevolutionaries.

"We saw weapons everywhere," Jorgen Jensen said. Traditionally, the Afghans have always been armed, but the government has distributed large quantities of weapons to the population, so that they can defend themselves. The government would scarcely have done that if the population were against it.

Soviet Troops

"The Soviet soldiers and the Afghan army are not mixed together in encounters with the counterrevolutionaries. The military are responsible for guarding bases and economic nerve centers, while the militia is responsible for carrying out combat missions," Jensen said.

Jorgen Jensen confirms the fact that the number of Soviet soldiers in Afghanistan, as nearly as he was able to find out, is approximately 90,000 men, while the Afghan army has 120,000 and the militia has 70,000 men.

"And that is not very many in a country that is 15 times as big as Denmark," the chairman of the Communist Party of Denmark said, and he compared the forces that are employed in combating the relatively much smaller number of adversaries in North Ireland, for example--not to speak of the Red Brigades in Italy, whose numbers are incomparably smaller.

"The Soviet troops are not in that country to take part in a 'civil war,' which, by the way, does not exist except in the form of scattered acts of terrorism and sabotage. They are there as a guarantee against a possible act of aggression--from Iran, for example, regarding which they are very much concerned," Jensen said.

"Afghan President Karmal said in a conversation that the Soviet troops will remain as long as there is a need for them--that is, until infiltration and external threats come to an end, and that, by the way, is a matter that only concerns Afghanistan and the Soviet Union, and it is something that others have no right to meddle with.

"Indeed, when you come right down to it, there is a possibility of military aggression against Afghanistan from outside the country. They certainly have more cause to have an agreement with the Soviet Union than we have to have a corresponding agreement on bases with NATO against the Soviet Union, which, in fact, has never directed any aggression against Denmark or threatened us," Jorgen Jensen said.

9266

CSO: 3613/151

GRASS MOVEMENTS INCREASINGLY INFLUENCE EC, SECURITY POLICIES

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 84 Sect II pp 4,5

[Article by Rolf Bagger: "When the Grassroots Fight Against the Parties"]

[Text] If it is up to the People's Movement Against the EC an empty blue milk carton will crop up everywhere in the coming months until the election for the EC Parliament on 14 June to remind us all of some of the outrageous results which the movement believes has come from Denmark's membership in the EC.

"EC makes the food more expensive," it says on the carton, among other things. It says that a liter of milk has risen from 1.56 kroner before Denmark became a member of the EC, to "now only 5.47 kroner" in an especially common and sarcastic style, which during the past 10-15 years has become an inseparable part of the political style of the leftwing and the many grassroots movements.

The prices quoted on the cartons for milk, buttermilk, cheese and rye bread have not been corrected for inflation during the ensuing years, and it is simply obvious that things would have gone much better if Denmark had not become a member of EC in 1972. The value of the information, regardless of the correctness of the figures, is rather slight.

On the other hand the value of the information is hardly less than, for example, the Liberal Party's election brochure printed in advance of the EC election of 14 June in which it says: "But without the EC we would have been much worse off still. Without the EC we would not only have approached the abyss, but would have fallen into it... Those are the facts."

Continued Opposition

Regardless of whether a person states that life would have turned out better or worse if he/she had not been married, the statement is based alone on whether the persons concerned were satisfied with the marriage or not. The coming election campaign and the EC election on 14 June can on the surface very easily become such a showdown about an alternative future which nobody knows.

But under the surface there are circumstances and conflicts which can have decisive consequences for future political life in this country. It appears that it could be a fateful election for the People's Movement Against the EC, and regardless of what happens to it, none of the political parties will be unaffected by it. Seldom has the future of the political parties been so closely tied to the fate of their opponents and some queer political upstarts.

The People's Movement Against the EC is, despite its position in the EC election, not a political party, but a popular movement which crosses political lines, the only expressed objective of which is the withdrawal of Denmark from the EC. The movement is older than Danish membership in the EC, as the first groups and committees against Danish membership were formed way back in the beginning of the 60's, when the first voices favoring Danish membership were heard.

After the especially clear decision by the referendum on 2 October 1972, when almost two-thirds of the votes cast were yes votes for Danish entry into the EC, most people expected--in any case most EC supporters--that the anti-EC movement would be dissolved. But at a meeting at Christiansborg on 7 October the joint committee of the movement decided to carry on its opposition to the EC. During the following years the movement worked organizationally and economically as a typical grassroots movement, largely decentralized and for long periods without much money.

New Information

But with the first direct election to the EC Parliament in June 1979, the People's Movement won four seats from its own list of delegates, and through these four members of parliament the movement suddenly gained access to a massive flow of information from the top of the EC.

This flow of information has helped strengthen the movement in its agitation and political work, in that every single local group could be provided with detailed information about both simple and especially complicated questions.

But it is also recognized in the leadership of the movement that this new position has helped make the movement more centrally controlled, so that the movement's secretariat on Norrebrogade in Copenhagen more closely resembles an efficient party secretariat in the political sense than a secretariat for a grassroots movement.

In addition it has also been that with the election of four members to the EC Parliament the movement suddenly had access to a steady flow of economic support. partly because the movement has introduced the rule that members of parliament give up to the movement the part of their pay which exceeds the pay of a member of the Folketing, and partly because the parliament gives each member a significant amount for secretarial and other help. These

funds have made it possible to strengthen and expand the movement's secretariat in Copenhagen with a number of full-time paid workers.

In the leadership of the movement they do not deny that these conditions have strengthened the movement and will enable it to conduct a much more effective election campaign than in 1979. That is the first noteworthy circumstance in the coming EC election campaign.

The Grassroots

But if the People's Movement Against the EC has organizationally and economically distanced itself somewhat from the traditional picture of a grassroots movement, it has in another way drawn closer to the other movements, begun cooperation with them and thereby tied their members closer to it.

Poul Overgaard Nielsen, who is the national secretary and leader of the organizational work, puts it this way: "A movement which does not move will die, and the People's Movement is moving constantly."

On the local level the groups and committees of the different grassroots movements are increasingly working together. That is primarily due to the many old friends among the activists from movement to movement, and this has also made the People's Movement more "green" in its outlook and arguments against EC. In addition the People's Movement, thanks to its organizational and economic strength, can offer the other movements local cooperation and access to facilities necessary in their day's work.

A Party Structure

All in all one could be tempted to see in this cooperation that the People's Movement Against the EC is the outline of a party structure for the grassroots movements, which is the second noteworthy circumstance of the EC election.

Or as EC member of parliament Else Hammerich puts it: "We can help the other movements as their host, because among other things we have more resources."

By which she surely wanted to emphasize that the People's Movement Against the EC as a movement can not obligate itself beyond its political foundation, which is only the Danish withdrawal from the EC.

But especially in the past couple of years the People's Movement has balanced on the outer edge of its own fundamental idea in its striving to give itself a political meaning beyond the purely anti-EC position.

In October 1982 the People's Movement was in a conference with participants from the People's Movement, the labor movement and grassroots organizations. The theme of the conference was "We can take ourselves out of the EC."

In her speech to the conference Else Hammerich also emphasized at that time:

"The role of the People's Movement in all this is merely to be the host for the event, neither more nor less." Nevertheless in her speech she had a clear message about who would shape Denmark's future, and it was not the politicians:

"No, if we are to discuss what a decent Denmark can look like, we must find other partners, and that will be in these movements and organizations which every day, each in its own field, take responsibility for the most important social conditions, and these movements have also largely answered positively and are here today."

And so that there would be no doubt she said later in her speech:

"First and foremost there are these difficult responsibilities which must be considered, because we no longer have confidence that they will be dealt with seriously enough in the circles of power governing the country. Because it is necessary: Without OOA [Organization for Information on Nuclear Energy] Denmark today would today be much closer to nuclear power. Without the environmental movement nature today would be finally destroyed. Without the peace movement the new deadly Euro-missiles would have been accepted."

Since the People's Movement Against the EC cannot be obligated to anything beyond its founding idea, one can dare to say that in that moment Else Hammerich spoke as a private person. Also one must say that the conclusion reached in one of the conference's six working groups was not a binding conclusion, even if it said:

"We were 100 percent in agreement that the People's Movement should go forward together with the peace movements and demand that the Nordic countries become a nuclear-free zone."

In the year and one-half which has passed since that conference the coincidence of viewpoints between the People's Movement and the peace movements has become conspicuous. This year the People's Movement has published a pamphlet entitled "EC and Peace." The pamphlet was written by Else Hammerich, who in the introduction thanks the People's Movement Against the EC for support and guidance in the work, but at the same time she points out that she herself must take the responsibility for the political analyses and judgments.

In return the People's Movement Against the EC has the copyright to the text of the pamphlet, and it emphasizes that reproduction of entire sections is permitted without reference to the source, while "reproduction of excerpts requires the publisher's (i.e. the People's Movement's) approval, because they want to be sure that the scope of the meanings or conclusions are not changed thereby.

Denmark After the EC

Despite these severe limitations and the confusion about who is finally responsible for the words in the pamphlet, BERLINGSKE SONDAAG will guarantee that the following account of some of the pamphlet's conclusions is reasonably accurate:

Else Hammerich/People's Movement Against the EC says that the approval of the many missile resolutions in the Folketing during the past year is the result of the dedicated work of the peace movements and an expression of the new thinking which in the first place concerns NATO conditions, but which can have great influence on our relations with EC, because there is talk of a break with the tradition that the country's foreign and security policies are unchanged despite the change in government.

In other words: the day may come when the Social Democratic Party changes its attitude toward the EC.

Else Hammerich/People's Movement Against the EC believes then that the obvious alternative to Denmark's current foreign policy is what the pamphlet calls the Nordic alternative, which is to say: Nordic countries not alone as a nuclear weapon-free zone, not alone as a buffer between adversaries, but as a dynamo for the reduction of tensions and proper relationships with the underdeveloped countries.

But it is also emphasized in the pamphlet that there must necessarily be a popular demand to create the Nordic alternative. The plans must receive massive support in Denmark, and very close cooperation must be developed between the popular organizations and movements in order to reach the goal: a unified balanced policy, built on reduction of tensions, disarmament and fairness to the Third World.

The agreement which can be established between the peace movements, and the thoughts which Else Hammerich here delivers the People's Movement Against the EC the rights), are the third circumstance which is worth noting before the election on 14 June.

For Else Hammerich's part, the merger is not surprising, in view of the time that she was chairwoman of Denmark's Democratic Women's League.

If one looks at the support which the People's Movement has for the trade union movement, that merger is not surprising either. If one goes through the list of union organizations which support the People's Movement, one can verify that the same organizations--trade unions and labor unions--which belong to the communist-dominated "Labor Movement for Peace" and the "National Campaign to Stop Nuclear Missiles."

The Communists

Thereby we come to the question of the role which the Danish Communist Party [DKP] plays in the People's Movement Against the EC, a role which has often been referred to. The party's influence in the movement has not been difficult to observe.

The DKP and its various daughter, sister and stepsister organizations have been with the People's Movement for many years.

One of the People's Movement's four members of the EC Parliament--Jens-Peter Bonde--is a member of the Central Committee of the DKP, and the same Jens-Peter Bonde who once was national chairman of Radical Youth and as such was born into the party's narrow executive committee. It was in that period that the executive committee had regular confidential briefings by the party's political leader, Hilmar Baunsgaard.

In the secretariat of the People's Movement is the former Folketing member for the DKP Tove Jorgensen, centrally placed as legal administrator, where she deals with labor market and union questions. She is the secretary of the movement's union committee and the contact person for the secretariat for the labor movement and the workplace.

But it is important, however, that the DKP much earlier decided to put all its forces into anti-EC work within the labor movement. That meant that party members could take an active part in the work, and that the party did not stand independently in the EC election in 1979. Instead it actively supported the list of candidates from the People's Movement. The same will be the case in June.

All this should in itself be reason enough to keep an eye on the DKP until 14 June, much more so as Jens-Peter Bonde is the party's only remaining popularly elected representative on the national level. It will therefore be a victory of prestige for the DKP to have him reelected on 14 June. That is the fourth noteworthy circumstance about the EC election.

The Communists Are Remarkably Loyal

But that pattern, which can be recognized as part of the peace movements, in which DKP has had a heavy hand in both the apparatus and the policies, for example in the Cooperative Committee for Peace and Security, and the Trade Union Movement for Peace, can not be discerned in the People's Movement Against the EC, according to all the sources with which BERLINGSKE SONDAG has spoken.

On the contrary, the DKP has shown itself to be remarkably loyal toward pluralism in the movement, they say. The explanations given for this are both flattering and unflattering for the party, but the declared goal of the movement--Denmark out of the EC--is given as the essential reason.

"DKP dominance is the shadow of suspicion that we must always live under," said high school teacher Grethe Rostboll, who is one of the relatively rare, outspoken opponents of EC in the Conservative Party. She is a member of the Executive Committee of the People's Movement.

"We also periodically have a hard time with the DLP, both when it comes to our appointments to the secretariat on Norrebrogade, and in committee work. But that is sometimes a question of having enough people: one can request to do a bit of work, and then one can see that they can organize a political task. If they become a little too eager, that gives a very good balance because the people from the Single-Tax Party have a little of the same attitude toward political work," said Grethe Rostboll.

"We are obviously being criticized for going together with the communists," said the only conservative EC candidate on the People's Movement list, city councilman and former mayor of Thisted, rural dean Georg Langkjer.

Liberal Symbol in Opposition

"But we of course comfort the people by saying that Christmas Moller also did that during the war, while in return we will now see Erhard Jacobsen and Niels Jorgen Haagerup arm in arm with the communist Spinelli and his union plans in the EC."

The Liberal Party has just released its EC election memorandum, which bears the title "Just Call Us the People's Movement /for/ [in italics] the EC-- That Is What We Are." As the oldest emphatic supporting party and as the party which always has contained the fewest opponents in its ranks, it is natural that the Liberal Party in this election campaign makes the People's Movement Against the EC its main opponent, and aims all its artillery against it and against the extreme leftwing within the movement. DKP's Jens-Peter Bonde is, in the Liberal election memorandum, the only one who is named by name as the symbolic opponent of the EC.

But whether this election strategy, which openly aims at making the EC election into the fateful election of the People's Movement, will succeed depends heavily on a development which more or less secretly has been in progress the last couple of years: larger and larger circles in the labor movement outside of the DKP dominated leftwing appear to support the People's Movement Against the EC.

A number of individual associations, labor unions and local groups, primarily within the SID [Semi-Skilled Workers' Union] have expressed pure opposition to their leadership, and have given their support, mostly economic, to the People's Movement.

In that connection one should remember that the great majority in SID up until the referendum in 1972 were declared opponents of Danish membership

in the EC. After several years of silence SID's attitude toward the EC slowly sharpened again, and at the union's congress in 1983 a request was approved for a new referendum on Danish membership.

If this development continues on the floor of the social democratic trade union movement, it can very well bring the leadership of the Danish trade union movement into serious conflict with the masses of the membership. Or with the line on the EC membership which the leadership has put together with the leadership of the Social Democratic Party. The attitude of the trade union movement toward the EC and the People's Movement is the fifth noteworthy circumstance of the EC election.

A Fateful Election for the Social Democrats [SDP]

The SDP is badly split on the EC question. This was clear before the referendum in 1972, and analyses of the votes this time seem to show that a majority of the party's voters voted no. The split in the party was and is no less than a split between the party leadership and the voters/members.

The split has never really been settled, but after 1972 the party leadership (and the leadership of the trade union movement) put a lid on the conflict and required unconditional adherence to the party line. Whether it succeeds despite increasing concern in also keeping a lid on the conflict during the election campaign will be decisive for whether the EC election will be a fateful election for the People's Movement Against the EC, or if it will become a fatal blow for the Social Democrats, which would be a fatal blow to the party leadership. A fiasco for the People's Movement will almost automatically be a success for the Social Democrats. And vice versa.

Of the 20 candidates from the People's Movement in the EC election, not more than 5 are Social Democrats, and they have filled places two, four and five on the list with people who well can be called heavyweights.

As a member of the EC Parliament, the former dean Jorgen Bogh together with the two other parliament members who are seeking reelection--Else Hammerich and Jens-Peter Bonde--is placed at the top of the list. Bogh is number two after Else Hammerich.

But in fourth place is the strong information secretary of SID, John Molgaard, who in SID's congress in 1983 was strongly praised for his uncompromising attitude on the EC question, and in fifth place is the trade union chairman of SID, Christian Zastrau. In addition there is nursing assistant Henriette Andersen placed as number 15, and high school teacher Bent Brier as number 17. Brier has had a well-known and respected name in major circles of the party for years.

SDP Excludes Opponents

But all five of these are excluded by SDP. Jorgen Bogh was in 1979 in connection with the EC election of that time, the others later, most of them

by letters from their local parties. But John Molgaard was excluded in an unusual way; his report to the party office about moving in the fall was not forwarded to the party office of his new residence. Instead he received a letter from the party secretary Ejner Hovgaard Christiansen which said that his position for the People's Movement in the coming EC election had been observed, and therefore he must be considered as having resigned from the party.

Thus the party has moved with a heavy hand against candidates and elected members of the People's Movement by excluding them, but nevertheless the party has avoided direct confrontations with larger circles within the party and has merely tried to keep them in place through party discipline.

Earlier not only candidates on other lists than the party's own were excluded in accordance with the party's rules, but also the party members who were supporters of such candidates. They have retreated from that. In John Molgaard's case it would have meant that not less than 28 social democratic trade union chairmen within the SID who had asked him to join the People's Movement would have been excluded.

The Strategy Toward Opponents

In this very difficult situation for the Social Democrats, the party, according to what BERLINGSKE SONDAAG has learned, has created a strategy which has the People's Movement as the main adversary without saying so. In order to prevent most of the party's traditional voters from voting for the People's Movement, there will be a strong appeal to party loyalty in the campaign.

That will be done partly by stressing everything that the party and the labor movement has historically stood for. In order to take the wind out of the sails of the People's Movement Against the EC the party has decided to depict the nonsocialist government as the main enemy in the election campaign, so that a debate for or against EC can be avoided as far as possible, according to what BERLINGSKE SONDAAG has learned.

One of the first signs of this strategy appeared at a meeting with former Minister of Housing Erling Olsen at Frederiksberg municipal library on 8 February, when he said that the EC election on 14 June would not deal with the EC, but whether one is a Social Democrat or a nonsocialist--in Denmark as well as in the EC.

Difficult to Debate Verbally

In the People's Movement Against the EC it has already been noted that while there is no great difficulty in arranging political meetings with nonsocialist politicians in the election campaign, it is extremely dif-

difficult to get Social Democrats to debate the People's Movement. The only members of the People's Movement that the SDP apparently is interested in debating in political duels are the SDP members in the People's Movement.

On 3 April John Molgaard met in this way with party secretary Ejner Hovgaard Christiansen (who is the SDP candidate in the election) in a duel in Haslev, arranged by the People's Movement's local committee in Haslev.

Among the SDP opponents of EC it is pointed out that this line runs parallel with two other paths in the party's EC position: a sharpening of attitude toward EC opponents within the party, and a changing of the party's candidate list in the election so that it becomes markedly more critical of EC than in 1979.

In the EC election in 1979 the EC supporter Kjeld Olesen was the point candidate, and was elected with a very large number of personal votes, but he withdrew as soon as he was offered a ministerial post, and also his deputy Lasse Budtz preferred the political work in Denmark over the EC Parliament when the seat became vacant.

In the election in June the party's point candidate is the declared "EC skeptic" (the strongest departure from the party line which the party could tolerate) Ove Fich, who moreover is said to have a reasonably good hold on the trade union movement's Social Democrats, and also the other candidates on the list are considered much more "EC skeptical" than was the case in 1979.

All that would naturally be seen as traditional political tactics, if it were not for the fact that the SDP in recent years has tightened its political position on the EC question significantly. That this previously has not caused greater attention outside the party is undoubtedly because the party has not so far emphasized it more. Ivar Norgaard's and Karl Hjortnas' frequent sharp attacks on the government position in specific EC questions can perhaps be seen in that light.

So far it has been the change of course which the SDP has made in foreign and security policy during the time of the nonsocialist government which has attracted the most attention in the public. But there is a remarkable coincidence of names between the politicians who today are supporting SDP policy, and the group of young ambitious Social Democrats who, before the EC referendum of 1972 and on to the beginning of 1973 were open, declared opponents of Danish membership in the EC.

The current nucleus in the SDP committee against EC, and the most prominent at that time were: Svend Auken, Ritt Bjerregaard, Helle Degn, Inge Fischer Moller, Karl Hjortnaes and Mogens Camre. In addition there was Birte Weiss (who has now left the Folketing), who as late as the mid-70's presided over a conference arranged by the People's Movement Against the EC with the title "Denmark and the EC--Assumptions and Realities."

In the years since 1972 there has been a generation shift in the SDP, so that now there are increasingly politicians from the Social Democratic Committee Against the EC who support the party--under the leadership of Anker Jorgensen, who until the referendum was the leader of the great EC opponents group SID.

It is these facts which those in the People's Movement Against the EC are keeping their eye on, and are putting their hopes on. Else Hammerich puts it this way:

"The Social Democrats have changed their security policy after the party became the opposition. It is now our chance, now that the precedent has been created that foreign policy can be changed in this country when the government changes."

Among the Social Democrats in the People's Movement there is a loose association of several hundred SDP opponents of EC, with Jorgen Bogh, Bent Brier and Christian Zastrau and others in charge. There is not much doubt that a change of course is coming in the SDP on the EC question. Bent Brier points out that the party's EC election program has been so narrowed that it now resembles the People's Movement if one only disregards the three lines where Denmark's membership is mentioned.

The Great Showdown

But both here and in the People's Movement Against the EC there is no doubt that the SDP will not overtake the People's Movement policy unless the back is broken at the same time of both the People's Movement Against the EC and its social democratic deviationists.

The sixth and most important circumstance in the coming EC election therefore appears to be without a doubt the showdown between the People's Movement Against the EC and the Social Democratic Party.

Regardless of the outcome of that showdown, it looks as though it will be of decisive importance for Denmark's relations with the EC in the coming years.

But the dark horse in the election showdown will be election participation. In the EC election in 1979 the participation was as low as 47.8 percent compared with a normal 80-90 percent in a Folketing election. Then the SDP had only 382,000 votes (compared with normally over 1 million votes in a Folketing election), while the People's Movement list received 365,000 votes, which in an electoral pact with the Socialist People's Party (82,000 votes) and the Single-Tax Party (59,000 votes) attained 4 seats for the People's Movement and the Socialist People's Party, while the SDP had to be satisfied with 3.

Among the EC supporters there is not much doubt that many of the abstainers last time will vote for one of the political parties this time. The People's Movement Against the EC has succeeded in mobilizing all of its supporters, in comparison with the parties. It is believed that the People's Movement simply can not go and fetch more votes.

On the other hand the People's Movement Against the EC says that the abstainers remained away that time because they were more or less indifferent. But since 1979 the opposition to EC, according to the polls, has gained support, and 58 percent of the voters today will vote no in a referendum on the EC. If the parties do not succeed in making the election campaign into a traditional showdown for Danish party politics, the abstainers will vote for the People's Movement Against the EC, they say.

Only one thing therefore appears certain before the EC election: the higher the voting percent on 14 June, the more unpredictable will be the result.

9287

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NEWSPAPER DOUBTS FREE DEMOCRATS' PARTY WILL FIND SUPPORT

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 84 p 8

[Editorial: "Free Democrats"]

[Text] It has become the fashion to form parties. With a speed which in itself is disturbing, large and small groups are trying their luck at political roulette. The latest arrival at the gambling table met last Saturday in Odense and formed a new party under the binding name--from abroad--Free Democrats.

The party is built on the remains of the Progressive Party. It has not brought new blood, and it does not appear that it will bring new political blood. The formation of the party has taken place at a time when it is too late to see any future for it, which was once a significant part of the total voting population. The founders of the party cling to the thought that there were once about half a million voters who supported the Progressive Party. Their hope is that they will be able to mobilize these voters again.

But it is a faulty political calculation to believe that there is such a reserve of voters. The overwhelming number of the disaffected progressive voters have long since lost confidence in the program which Mogens Glistrup fought for and the Free Democrats will use as a base. They have had enough, not just of the endless spectacles of the Progressive Party, but also of the demagogic attitude toward society which is firmly tied to Glistrup's ideas. They have gone to other parties, and for many of them the short term ties with the Progressive Party sent them on a search from the Social Democratic Party to the nonsocialists. In the 1973 election there were many Progressive Party voters who came from the Social Democratic Party. But they long ago said farewell, and they will not return, especially since the original program is now being offered under a new label.

Therefore the party formation in Odense is not an event which will cause an epoch in Danish politics. The gathering of disaffected representatives from the Progressive Party can at first glance appear rather impressive. But it can not be expected that they, either with their names or their policies,

can create a large and broad political following. The days are past when protest voters existed in large numbers. The probable development will be that the Free Democrats will compete with the Progressive Party for the last and loyal nucleus of progressive voters. The result could very well be that both parties will fall below the cutoff point.

Seen in that light, the new party formation can perhaps be given a certain political-historical perspective. Because in the future it will stand as an event which put an end to the remarkable period in Danish politics which has been described as the Progressive Party epoch. It was short, and frankly it was not especially glorious.

9287

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'EUROPEAN LABOR PARTY' MAKING OVERTURES TO NATION'S MILITARY

Copenhagen BERLINGSKE TIDENDE in Danish 29 Apr 84 p 13

[Article by Mogens Auning: "Rightwing Radical Group Infiltrates Defense Forces"]

[Text] The "European Labor Party," which is controlled by an eccentric American millionaire, and which in a period of 15 years has swung from trotskyism to the farthest political right, is trying to get influence in NATO policies. The party has only a few members--about a dozen in this country--but a large and expensive organization behind it.

The Danish Defense Command has briefed a number of leading military personnel and military bases about a rightwing radical group which has made strenuous efforts to come in contact with personnel with ties to the services.

It is an organization with the somewhat misleading name "European Labor Party" (EAP). The organization, which in this country has only rather few members, is an offshoot of the American "U.S. Labor Party" which was established in the 60's by the eccentric multimillionaire Lyndon Hermyle LaRouche. He nominated himself in the 1979 presidential election, and he and his party have swung in the last 15 years from trotskyism to communism to what is now a decidedly radical rightwing position.

The first time EAP appeared here at home was in the organization's leftwing-oriented period--November 1974. At a social democratic meeting in Tonder, EAP members shouted "fascist" at the Dutch politician and former chairman of the European Commission Dr Sicco Mansholt.

The next year they appealed to politicians and officials here at home and warned against the NATO exercise HILEX 75, which they claimed was a disguised preparation for a Western attack against the Soviets.

Later, after having moved farthest to the right on the political scale the EAP demonstrated in March of this year against the international Pugwash

movement's symposium in Denmark. They said that the Pugwash people were working to separate Europe from United States security policy. Now they were not shouting fascist, but communist!

In between times the EAP people have been busy; among other things they have tried to come in contact with the head of the defense forces, General Knud Jorgensen, tried to interest a number of military personnel here in one of LaRouche's ideas--"The Manhattan Project"--setting up a net of laser cannons which could shoot down Soviet missiles. At a seminar in Bella Center on 29 February this year they claimed that World War III was just around the corner, and laser defense was the only thing which could save the West. The seminar was supposed to include the participation of "high level American experts." A pair of representatives from the Defense Research Institute discretely attended the seminar, and they described the whole thing as nonsense.

Although the number of members of EAP here is small--it is estimated to be about a dozen active--the organization behind them is impressive, but also with a modest size membership. The headquarters of the organization is in New York in a Manhattan building, from where the "U.S. Labor Party" is run. The party, which is entirely dependent on LaRouche's millions, is believed to have about 1,000 members. From New York contact is maintained with groups in Europe, and messages are sent by a teletype system and LaRouche's press bureau, "The New Solidarity Press Service."

In Europe EAP is estimated to have about 250 members. They are controlled from a headquarters in Wiesbaden, where there is a paid staff of 20 people. In the 1970's a "European Labor Party" was established in West Germany, with a woman, Helga Zepp-LaRouche, as chairman. She ran in the parliamentary election in 1976 and received 6,800 votes, and again in 1980 when she was again not elected.

Through the "New Solidarity Press Service" LaRouche's magazine EXECUTIVE INTELLIGENCE REVIEW is published, and here in this country the EAP also publishes STRATEGISKE STUDIER, FUSION MAGAZINE (about nuclear power) which is published by one of EAP's subordinate organizations Fusion Energi Foundation, and REPUBLIKEN which is published by EAP's subordinate organization Club of Life.

In 1974 the "European Labor Party" opened an office in Classensgate in Osterbro in Copenhagen. In the neighborhood, in Sejerogade, there is the home of another subordinate organization of EAP, the European Coalition Against Narcotics.

9287

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STUDY SHOWS ONLY A MINORITY OF UNION MEMBERS VOTE FOR SDP

Copenhagen BERLINGSKE TIDENDE in Danish 1 May 84 p 1

[Article by "fd": "Only 46 Percent of the Members of the Danish Federation of Trade Unions Vote for the Social Democratic Party"]

[Text] The Social Democratic Party has lost its majority standing among the good 1.3 million wage earners who are organized under the Danish Federation of Trade Unions [LO] at present. A good 54 percent of all the LO members voted for other parties than the Social Democratic Party in the January Folketing election. That is apparent from an investigation of the election carried out by the Institute for Social Subjects of the University of Copenhagen in cooperation with the Gallup organization.

On 1 May 1984, Assistant Professor Hans Jorgen Nielsen of the Institute for Social Subjects presented the new, sensational figures to BERLINGSKE TIDENDE which indicate that only a scant 46 percent of all the members of the Danish Federation of Trade Unions vote for the Social Democratic Party's candidates at present. "The good 54 percent of the Danish Federation of Trade Unions' membership who do not vote for the Social Democratic candidates divide up with 33 percent voting for middle-class parties and 21 percent for left-wing parties. Thus there quite definitely is a majority among the members of the Danish Federation of Trade Unions who are opposed to supporting the Social Democratic Party," he said.

The new figures reveal that almost three quarters of a million Danish wage earners coming under the Danish Federation of Trade Unions are forced, against their will, to support a party--the Social Democratic Party--and a press--the AKTUEL newspaper--with which they do not sympathize. Assistant Professor Hans Jorgen Nielsen states that there also are people among the Social Democratic wage earners belonging to the Danish Federation of Trade Unions who are against having the unions and the Danish Federation of Trade Unions support a political party. Therefore there very clearly is a majority among all the wage earners belonging to the Danish Federation of Trade Unions who are against the Trade Unions' support for the Social Democratic Party and the AKTUEL press.

9266

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CDU SEEKS NEW PLATFORM ADAPTED TO STRUCTURAL CHANGES

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 23 Mar 84 p 5

[Article by Juergen Wahl: "Fifty Items and Much Discord"]

[Text] The basic platform, though only 6 years old, is no longer adequate for the Union to be able in future years to cope with structural changes.

One of the odd expressions of party political preoccupation hereabouts is the production of constantly new platforms, manifestos and guiding principles. These texts, highly esteemed by party managements, often have quite lyrical preambles, conjure up principles, "extrapolate" or supplement what has frequently been said before.

Amid all these gyrations of the parties, voters perceive only a general direction, details are lacking or become blurred in the turgid mass of the text. Most of all, it is usually not really clear who is to take what step at a specific time, what is to be the cost of it all, and who is to pay. The draft of the "Stuttgart Guiding Principles," presented last week by CDU general secretary Heiner Geissler, may well suffer the same fate.

In Bonn's Konrad-Adenauer Building, this paper--26 typed pages long and with 50 headings--was given the challenging title "Germany's future as a modern and humane industrial nation." When Lower Saxony Minister President and deputy CDU chairman Ernst Albrecht was asked by Helmut Kohl in 1983, together with some other platform experts to concoct plans for the future, the title mentioned was "renewal of the social market economy." "Renewal" turned into "revival" and finally the present word-worm, obviously intended by the party congress planners to decorate the forefront of Stuttgart's Hanns-Martin-Schleyer Hall, where the congress will meet for 3 days on 9 May.

The draft has three main chapters. Not much is to be said about the preamble. On 7 March CDU economists rightly wrote to Heiner Geissler that a simple return to the 1978 CDU basic platform would have been more prudent; the roughly 50 lines of the preamble offer nothing new with the exception of the demand that "fundamental elements of the market economic system" should be "made to prevail again."

Discussed next is the problem on which the authors should have concentrated but did not: What does structural change in the present industrial society look like, and what needs to be done from the political standpoint to handle it? In the view of the members of the planning group at CDU head office, led by political scientist Wulf Schoenbohm, this change is obviously something to be made transparent mainly by the description of the technological phenomena Japan and the United States.

Peter Jungen, executive board chairman of Weserhuetten AG and chairman of the Rhenish CDU Business Federation, commented: "Endlessly hashed over are a few new technologies, of course important ones, but the remainder of the economy, especially the manufacturing processes, is swept aside." The CDU's Federal Committee of Economic Experts (chairman: Kiel Economics Minister Juergen Westphal) took 13 pages to censure the document, using words such as "too defensive," "wrong," "unwarranted" or "substantially dubious." Heiner Geissler is being asked whether a short and clear challenge, comprehensible for everyone, would not have been better. None of these objections did much good. Almost all the points criticized were transferred without change to the present version.

The platitudes offered also annoy the rank and file. Right at the beginning of the paper is the terse statement: "The educational standard of the public is highly developed. Prosperity has become a matter of course for many." Westphal says about the second sentence: "Inappropriate, preferably to be deleted."

Middle of the road CDU members complain that "much is said about eggheads, little about those who have to translate the invention into practical terms." Peter Spary, general secretary of the business federation: We will request a more precise definition of what is expected to be the consequence of our opting for dual education." His sole comment on the chapter of taxation is "slovenly." The experienced manager quickly adds: "After all, this is a text issued by a governing party which needs to be cautious."

Part of the text is nothing but hot air. No 4 may serve as an example: "The proportion of the working population will decline, while that of pensioners will rise sharply. This change in demography equally affects all social security systems. That is why no group in our society may be exempted from the necessary adjustments." So what? The paper might easily have said that cuts will be necessary in future also, and that nobody will be exempt. However, No 26 states: "Social policy has made an important contribution to budget consolidation. The current priority is a further (!) cut in subsidies." In the first case the inflated text aroused the impression that cuts in the social sector were going to continue. In the second, on the other hand, it is promised that it is now the turn of others.

Since the change-over in Bonn, government spokesmen have insisted that the government needed to withdraw, debureaucratization was proclaimed, the encouragement of the economy talked about. Peter Jungen: "This paper, though, clearly states in 16 different connections that something or other must be encouraged by the government, most of it without any real need. Neo-interventionists have hit home."

Little is left of the hardline notions of Ernst Albrecht or Haimo George, not even the main tenor of their description of the problem. On the disputed matter of lowering wage costs, that which remains is unsatisfactory for everybody: "To improve the conditions for growth, employment and international competitiveness, we call on the partners in standard wage negotiations together with the government to develop a common outlook on the prevention of another rise in the costs of fringe benefits or even achieve a partial reduction." A new "concerted action," government interference--and of what nature?

The "fluffy" paper (so dubbed by a member of the CDU Women's Federation executive) is likely to attract lots of motions for amendment. The general secretary calmly accepts this prospect: "We will prove that the CDU does not just wither away when we govern." In practical terms this means that 250 district federations, the land federations and party associations will have to submit amendments by 10 April (last day for motions). Consequently, hectic activity has been reigning ever since the paper was officially tabled.

The senior bodies of the social committees met for discussion last weekend and on Wednesday; Christoph Boehr, head of the Young Union, convoked his federal executive board for today, Friday. On 30 March the CDU middle class will "study it" in Ansbach. The Women's Federation says "long-range topics involved in future technology have been put through the meat grinder by this party in just 6 weeks."

The lists of wishes are long. Peter Spary: "We want clear tax policies. No increases in taxes and contributions, just as we were promised before the election." The social committees want the same. Norbert Bluem's followers will surely be less happy when the middle class and business ask for more specifics on reductions in subsidies and the deregulation of competition. Some of the voices must sound like sweet music to Finance Minister Gerhard Stoltenberg: "Recipients of subsidies should be compelled by statute each year at hearings in Bonn to substantiate the reasons for their wishing to remain on the subsidy list."

The part left is at one with its friends further to the right in judging the paper to be too general and "too lyrical": Scharrenbroich predicts motions on the following: Definite assurances of tax relief in the lower third of the progressive scale, "greater emphasis" on the formation of productive capital in the hands of employees, marking employees' claims to codetermination in the case of "profound" changes in work processes (complete with supplementing the law on the constitution of enterprises) and, finally, something on the 35-hour week--"that it cannot be introduced at this point in time."

The Young Union (CDU) flings itself on the still wanting environmental matter. The federal chairman comments: "Our motion will be sweeping." The young want to show how compatible an ecological and social market economy could be. Heiner Geissler is quite aware that "this might get to be a lengthy debate." The Young Union intends "altogether to more emphasize" social concerns, shoulder-to-shoulder with the social committees it is going to call for wealth formation and "inject" something "tangible" with regard to the conditions for establishing a livelihood.

"The party debates, the chancellor governs," is the comment on these events by one of Helmut Kohl's staff. "Once we are in Stuttgart, Kohl will tell these people what can and what cannot be done, and what might possibly be done." Helmut Schmidt did exactly the same. The difference between the two Helmut's lies in Kohl's being comfortable within the party and sharing its feelings; he likes to anticipate the reaction of the rank and file.

The "Stuttgart Guiding Principles" lack one decisive ingredient, and this should really be of concern to Kohl: At no point do they supply a proper explanation why the structural change, new technology and problems of the social state call mainly for intellectual direction. Manager Peter Jungen considers this from a different but no less telling standpoint: "The whole thing is much too defensive, displays so little optimism that it lacks all pizzazz." Political scientists as authors indeed tend to be people who, in usually barely intelligible German, talk of what seems to them to be "in" and of the latest public opinion polls. They rarely know how any of this affects the individual.

In May, 1 week after the CDU, the SPD will also hold a federal party congress. Smack in the center of the Ruhr district--in Essen--the party will discuss future economic and social policy. Herbert Ehrenberg explained the party executive's lead motion this week: The government does not fight unemployment, it fights the social state. The profound difference to the CDU paper is marked indeed: Once again Social Democrats express more confidence in government control than in market forces.

Others wish not to appear idle in this line-up of conceptions. The FDP mocks the CDU paper's penchant for planned measures, the CSU renews its appeal for more relief for families. The major conflict about the right approach will certainly not be entirely useless, but the party leaders are likely to have to expend a good deal of strength at the end of May to head their troops back from texts to daily tasks.

Platform Annals

Depending on the counting method used, the "Stuttgart Guiding Principles" to be enacted in May will represent the 14th or 15th CDU platform at federal level. The Ahlen Program (1947) and the Duesseldorf Guiding Principles (1949) were proclaimed before the establishment of the federal CDU (1950. They were followed by:

1953--the Hamburg Program,

1968--the Berlin Program as the first CDU action platform

1971--update of the Berlin Program in the new circumstances as the opposition in Bonn

1973--renewed update of the Berlin Program (Helmut Kohl the new CDU chairman)

1975--Mannheim Declaration---aimed primarily at the 1976 Bundestag election

1978--First Basic CDU Platform

1976 and 1979--European Manifesto and summons for the
1981--30th Federal Party Congress resolution "With the Young--
Our Country Needs a New Beginning"

Most CDU platforms were generated in close connection with
impending elections at federal level.

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CDU/CSU CAUCUS SEEKS LARGER ROLE IN GOVERNING

Hamburg DIE ZEIT in German 9 Mar 84 p 4

[Article by Carl-Christian Kaiser: "Low Grumbling from the Rank and File"]

[Text] When Helmut Kohl attends plenary meetings of the Bundestag, he likes to leave the Government bench as often as the occasion permits, and to make for the rows of the CDU/CSU caucus. Soon after he may be observed in the back of the hall talking with Union deputies, either privately or in small groups.

The Chancellor's private meetings are more than habit, they represent a method. It is in his nature to base politics on a network of personal relationships, and the talks serve as a demonstration: Look, even as the head of Government, I am still one of you. Nor is it rare for him to host convivial evenings in the chancellery itself, usually complete with hearty Palatinate food. These evenings are attended by one of the Union caucus' Land groups, the caucus executive, the entire FDP parliamentary delegation or Bundestag budget committee.

In fact there is more and more need for such intensive contacts, especially with his own people. A year after the March elections, the CDU/CSU caucus is beginning to consider its role. Earlier it had no such opportunity.

The brief interval between coming to power in autumn 1982 and the election in early 1983 does not count: People had to organize and prepare themselves for the election campaign. The subsequent months, for their part, were the heroic era: The Bundestag needed to tackle the era: The Bundestag needed to start on dealing with the problems according to the new regime's promises, most of all the restoration to health of public finances. Not even a subdued gnashing of teeth was permitted, however painful the cuts and reorganization of the budget. The caucus had been very good, reminisces Philipp Jenninger, its outstanding manager before the changeover and now, in his capacity as minister in the chancellery, Kohl's liaison with parliament.

Gradually, though, the charm inherent in every beginning is fading away. The caucus is starting to seek its own role, somewhere between the necessity to support the Government and its desire to take a share in policy making. The members observe the Chancellor with a more critical eye. At the same time the caucus is once again haunted by the variety of interests it represents. The same applies to the sometimes virulent differences inside the triple coalition of CDU, CSU and FDP.

This is reflected in the various emphases and reasons given by the spokesmen of the coalition caucuses to the amendments to the criminal law on demonstrations, for example, or the dispute about the kind, extent and timing of tax reform. Also widespread is displeasure with the proposed anticipated retirement provision. The Union caucus complains that Labor Minister Norbert Bleum had allowed himself to be unduly hobbled; financial aspects were being over-emphasized. Another reason for barely concealed anger is the government's failure to raise military pay.

It is not particularly surprising to hear Berhard Stoltenberg's name mentioned with great frequency. Except for Kohl, he exerts the greatest influence on the caucus. At the same time, deputies are unwilling to accept the rather distant manner of the "minister for cuts," underlined by occasionally majestic gestures. "Although Stoltenberg disapproves," says Wolfgang Schaeuble, a man important well beyond his office as party director of the Union caucus, the coalition had basically decided the dates of the tax reform. Theodor Waigel, chairman of the CSU Land group, also talks of "varying degrees of awareness" among the ministers as to what can and cannot be done with the caucus.

Such mutterings reflect yet another problem. Every government party has a hard time to even halfway balance the sheer weight of the government. It is even harder for the CDU/CSU, because it gave the government a particularly long rein in the euphoria and improvisation of the sudden beginning and has since been unable to shorten this. Lastly the caucus feels that almost all ranking and well-known members are now in the government. It has not yet been able to recover from this bloodletting.

The result has been subterranean tension. True, the coalition operates smoothly: both the coalition committee and the caucus round meet at least once a week while the Bundestag is in session. Still, the top men are there too, the Chancellor and the most important ministers, the caucus leaders and parliamentary managers who, therefore, function in part as caucus delegates, in part as government personnel. In any case, many of the new caucus leaders tend to feel that they are not being taken quite seriously by their predecessors, now arrived at rank and office. As for the rank and file, many are secretly only too well aware that their situation has not changed all that much by comparison with their years in opposition. The new government leads its own life, the caucus often remains in the background.

Nor have any new talents emerged so far, or at least nobody has attracted much public attention. Volker Ruehe is always the first but also almost the only one mentioned. He gives the impression of a man who is serious about his political career. In the Bundestag only since 1976, the 41-year-old Hamburg high school teacher has already become one of the deputy caucus chairmen, in charge of foreign affairs and security. Ruehe himself admits that the impact of the caucus depends on the impact of their members, not on their organization.

The important people now are mainly those who hitherto have been among the solid craftsmen of parliament--indispensable for its operation, especially by their expertise but not setting the political imagination on fire. That holds true,

for such men as budget expert Manfred Carstens or interior specialist Karl Miltner, for Christian Lenzer or Eduard Lintner who respectively look after research and technology and inner-German affairs in the caucus. Foreign affairs specialist Hans ("Johnny") Klein has on occasion caught the public eye and seems set for advancement.

Others, though, are known only to the insiders, for instance Renate Hellwig (European affairs), Bernhard Jagoda (social policy) or Dietmar Kansy (housing). Most are in their 40's or older and have been Bundestag members for two or three terms. Matthias Wissmann, lately chairman of the caucus study group on economics, and Alfred Sauter, spokesman on legal and educational issues are younger hopefuls who emerged from the Young Union. It remains to be seen who among them will one day emerge from the shadows and speak about issues not directly related to his specialty. Wolfgang Schaeuble frankly admits that "our problem is the sudden departure of most senior members."

Schaeuble certainly has something to say. After the usual drudgery at the beginning of his career, the energetic 41-year old Baden native, attorney and Bundestag member since 1972, has rapidly advanced in recent months. By now he is first among the parliamentary managers of the CDU/CSU. Many consider him the real caucus chairman and most certainly its driving force. Kohl and he seem to be on intimate terms. It is therefore not surprising that Schaeuble was repeatedly mentioned as a potential new caucus chief at the time when, following the Woerner/Kiessling scandal, Alfred Dregger was briefly considered for taking over at the Ministry for Defense. All the same, some people claim that Schaeuble is distinguished more by outstanding organizational talent and impeccable logic than by creative talent.

Alfred Dregger leads the caucus, holding a long and slack rein, "half great noble, half colonel (retired," says one of the led. Dregger occasionally speaks of his "250 awkward statesmen." Moreover, at least in conversation, he says quite decidedly that the caucus wishes to have a role of its own, and that the government is not the be-all and end-all. Still, his attempts in this direction do not look too promising, given his strict Prussian interpretation of loyalty and the natural preponderance of the government, the doubly strong selfconfidence of the new rulers after the long years of deprivation in opposition.

In view of the Chancellor's predilection for intimacy, it is also worth remembering that Dregger and Kohl (to cite someone at government headquarters) "do not embrace each week." In fact it is easy to imagine what the gentlemanly and rather prim caucus chairman feels when the Chancellor indulges in the heavy-handed jesting that he thinks humorous, and that is always at the expense of others. Dregger's nature is totally different. And, finally, there is this bitter disappointment still gnawing at him--that the voters' compassion for the fallen Helmut Schmidt cost him his ultimate triumph in Hesse in 1982, his real political life's work for which he fought so long and with steadily improving prospects. Sometimes it seems that Alfred Dregger continues to hanker after his lost dream.

Theodor Waigel's is the hardest task. That this fact is virtually unknown on the outside is a tribute to the talents of the CSU Land group chairman and

first deputy caucus chief. As it is, he must cope with the notorious and, since the CSU's participation in government, even greater suspicion on the part of Munich party headquarters, that the Land group was losing its Bavarian soul in Bonn. Most of all, though, he needs to manage the hostility and tension between Franz Josef Strauss and Kohl. At the same time he is obviously bound to watch over the CSU's independence as the third party in the government coalition, with a softer attitude toward the CDU, more hard-hitting toward the FDP. As a consequence Theodor Waigel often feels himself compelled to do the political splits.

Still, all insiders praise the 44-year old attorney for strongly maintaining coalition loyalty. The Chancellor is fond of the Bavarian-Swabian, his thoughtfulness and common sense. Waigel and Schaeuble as a team are able to make up for a certain remoteness between Waigel and Dregger. Moreover, the bigger party sister is careful not to ask too much of the CSU. It accepts the fact that intervention from Munich may sometimes cause the CSU Land group to say "we cannot do that." Waigel himself, unwilling to speak with a forked tongue to either Strauss or Kohl, says with a grain of irony that the situation is none too easy at times, but that "the comrades in Munich" have it worse.

The wish to give the new government a good start has worked fine. However, one of the results has been the almost suffocating dominance of the cabinet. Nevertheless, a year after the Bundestag elections, the caucus is beginning to more precisely define its role in the parallelogram of the coalition's strength. Beyond its classic function to make the government prevail in parliament, its sights are now set on greater control of the new regime and the question when to apply the spurs. A scoffer describes Helmut Kohl's consultations in the plenary hall as "cultivating the serfs." This is more than a character trait, it is also a precaution.

11698

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PARTY CONGRESSES, MUNICIPAL ELECTIONS TO TEST SORSA

Helsinki HUFVUDSTADSBLADET in Swedish 20 Apr 84 p 10

[Article by Larserik Haggman]

[Text] The municipal elections next summer and the party congresses of the early summer have clearly begun to influence the work of the government. Repeated reports talk about a deteriorated atmosphere within the cabinet, at the same time as the government parties communicate through speeches to the public. It has been said that the clear improvement for the Sorsa government which many observers felt that they were beginning to discern following the domestic management settlement and the incomes policy package solution, ought to have gathered speed as a result of reports on business trends and opinion polls. This, however, did not appear to be the case--instead the work is marked by a lack of trust, and most of it is at a standstill.

Few observers today see a direct reason for the impaired atmosphere in the events which will take place at the congresses of the government parties. Prime Minister Kalevi Sorsa is expected to receive the formal support of the party at the party congress. Contrary to many evaluations, Foreign Minister Paavo Vayrynen may still next winter expect to be sitting firmly in the saddle. The re-elections of Par Stenback and Pekka Vennamo are also considered obvious.

Ahde Succeeding Helle

As far as the Social Democrats are concerned, on the level of political figures, it is more or less a question of replacing departing veteran Veikko Helle by Minister for the Environment Matti Ahde in the party leadership, at the same time as Pirkko Tyolajarvi will climb a step higher to the post of first deputy chairman. Erkki Liikanen is unchallenged as party secretary.

As usual, there are few party leadership seats and many party districts and candidates. The only certain candidate at this stage is Kaj Barlund, the candidate of the Finnish Foremen's and Supervisors' Association. The

situation, however, is entirely normal. The upcoming re-elections will hardly reflect anything but regional differences, since there are no actual faction disputes within the party.

The well-known almost total homogeneity which has been prevailing within the Finnish Social Democratic Party of recent years, however, has suffered a setback during the spring in conjunction with the strike fines. Social Democratic members of parliament state that hardly any issue has been discussed at such a length within the parliamentary group for a long time. Here, too, the criticism of Sorsa, who had become a guarantor on the issue, has been conspicuous by its absence, which is also expected to become the case at the party congress.

Latent Wings

Nor is the preparatory debate on the new policy program, which will be finally approved in 3 years, expected to reveal any deep cleavages. On the other hand, many expect various angles of approach to emerge. Already at Bjorneborg 3 years ago, a clear "green" grouping was to be seen, as well as a certain traditionally labor-influenced counterreaction to the soft values, especially with a view to the declining figures of economic growth with which the Social Democrats are now working.

It is now the view in many quarters of the situation within the Social Democratic Party that when, and if, Sorsa withdraws from the post of party chairman in 3 years, he will be causing a struggle between various latent wings. Some people expect a struggle between Tyolajarvi and either Ahde or Liikanen, but hardly among all three of them.

However, it is quite clear that, within the Social Democratic Party, everything is today being done to retain the monolithic picture which has been created and which Sorsa seems to guarantee. Nevertheless, the party may hardly escape some kind of repetition of the arms export votings from Bjorneborg, where the congress clearly advocated an end to the export of arms, but this has subsequently been interpreted as a position taken as a matter of principle which will have little influence on actual events.

Dissatisfaction Checked

Within the Center Party, the criticism of Paavo Vayrynen as party chairman seems to have been checked, and observers today generally expect that Vayrynen will have nothing to fear at Nyslott. His popularity may not be growing, but, according to the Center Party, the number of reports on lacking popularity is dropping very sharply. Last winter, serious attempts were even made to support an opponent, but the round of district meetings in the spring has shown that these attempts came to nothing or, what seems more likely, they have been postponed for 2 years until the next congress.

Topical names in this context are primarily Kauko Juhantalo and Toivo Ylajarvi. Reports seem to indicate that the two doctors of the Center Party, Johannes Virolainen and Ahti Karjalainen, have even had contact and have attempted

to launch Juhantalo, who, however, is stated to have hesitated far too long. At one point, the two are even stated to have had Pekkala in mind, but the interest of the latter is said to have been very small. Virolainen, incidentally, is a congress delegate and a candidate for the party delegation.

During his time as minister, Ylajarvi has quickly become really popular within the government, at the same time as his relations with MTK [Central Association of Agrarian Producers] have been good contrary to his predecessor Taisto Tahkamaas.

Party chairman Paavo Vayrynen, however, still seems to regard Ylajarvi as at least a latent rival and does not seem to miss any opportunity of now and then annoying his colleague in the ministry. Both Ylajarvi and Juhantalo are, however, expected to adopt an attitude of wait and see.

Tahkamaa Threatened?

As far as the choice of persons is concerned, the interest, therefore, is expected to be primarily attached to the posts of deputy chairmen. The positions of Ahti Pekkala and Marjatta Vaananen appear rather safe, whereas Tahkamaa, who was given the post of deputy chairman in conjunction with the efforts in connection with Vayrynen's victory over Virolainen in Abo in 1980, is threatened by several candidates.

Deputy spokesman Mikko Pesala, whose relations with Vayrynen deteriorated seriously following the formation of the government when Pesala did not get a post as minister, at the same time as the men became divided on the missiles and zoning issues in the foreign policy last summer, is now expected to offer himself as candidate. Former Minister of Agriculture Heimo Linna, who presented a parallel motion regarding the dual price system for milk, is also stated to be interested in a post within the party leadership. This also applies to Martti Pura, farmer, from Southern Tavastland.

The electoral system clearly benefits the two present deputy chairmen. Irrespective of the number of candidates, the elections are, at the same time, conducted as simple majority elections, which ought to give Tahkamaa a good chance.

Among the issues to be discussed at the congress of the Center Party, observers expect a clear demonstration of the regional policy. This partly with a view to the upcoming municipal elections, partly on account of the resources which are lying unexploited within the ministries of trade and industry.

Pension Reform--Bone of Contention

Within the social sector, the Center Party is expected to demonstrate a firm line on the pension issue. The Social Democratic Party has advocated postponing the last phase of the reform till the next recession, which has already caused strong reactions from the Center Party, which considers this issue already ready for budgeting.

In certain quarters, a certain amount of debate is also predicted on the organization of the agricultural policy, for there is a conflict between the lines of MTK and the minister of agriculture on the one side and that of the party on the other, primarily on the issue of subsidies to small farmers and the treatment given major producers. This issue may also be behind the tension between Vayrynen and Ylajarvi.

Bjorkstrand's Candidacy

As far as the Swedish People's Party is concerned, no surprises seem to be in store either at the party congress to be held in June. Party chairman Par Stenback's indications that he is gradually becoming ripe for retirement do not yet seem to have taken on any seriousness. Minister Christoffer Taxell has not either shown any interest in any post within the party leadership at this time, where also deputy chairmen Hakan Malm, Paivi Hirsikangas and Patrik Lilius represent the various nuances of the party and a calm interest seems to prevail.

On the level of persons, however, a situation of latent unrest exists at Osterbotten. The four members of parliament from that election district will in the next election--in 3 years?--be up against the threat of a set-back following recent advances. At the same time, speculations on the candidacy of Minister Gustav Bjorkstrand have started, which may make the situation somewhat complicated.

Climate of Languages

The efforts of the Swedish People's Party in the area of the Swedish-language issues in this government are expected to be continued, and, in this respect, few observers expect any major criticism at the party conference, even if the issues concerning folk high schools are always delicate. However, the climate in general is by some observers found to be undergoing a certain amount of change, which is noticeable, for example, in a number of Finnish-language newspapers. The ministers of the Swedish People's Party are already reported to have become aware of certain difficulties when it comes to representation within drafting committees. This may be rendered further difficult when committees will be undergoing cuts, also with regard to the number of members within committees according to the decision on cutbacks in conjunction with this year's first supplementary budget.

Position of Finnish Rural Party

The party congress of the Finnish Rural Party will, as usual, take place in early August, conveniently prior to the budget debate at the end of the same month. It will become some kind of first actual gauge of the party's view of the work of the government, at the same time as it may become a test of Pekka Vennamo's ability to assert himself within the budget debate.

Government Question and the Finnish Communist Party

The congress in which political observers at this point show the greatest interest is, undoubtedly, that of the Communist Party. Following the traditionally clear results of the elections of delegates, there is a hard struggle for their people. Apparently, there are only two possibilities. Either a continued, though controlled conflict situation under the present chairman Jouko Kajanoja's leadership with a transfer of the activities to the Finnish People's Democratic League for the so-called ax line which followed. Or else a showdown with the minority, a new chairman and a policy aiming at an early re-entry into the government.

Left Wing

Many observers have already been wondering whether this is what Sorsa has in mind when in several connections he has opened the door of the government slightly for the Finnish People's Democratic League after the municipal elections. Others maintain that Sorsa is merely 'feeding the fire' in order to secure the left wing which has long been protected. That theory is supported by those within the Social Democratic Party who, with reference to the discussions on strike fines and a couple of election advances on the part of the Finnish People's Democratic League, warn of problems in the leftist and labor factions of the Social Democratic Party.

As the party congresses, perhaps with the exception of that of the Finnish Communist Party, should hardly have any effect on the government situation, many eyes have turned toward parliament. On the parliamentary level, the Finnish Rural Party has again raised its profile. It has been a question of parallel motions, of votings with the opposition in committees and resolutions on government issues involving billions when it comes to war veteran estimates in next year's budget.

To this come less drastic parallel motions from the Center Party and the Swedish People's Party, but also indications of positions on the part of Social Democratic members of parliament, even if these were limited to statements.

Government Hard to Overthrow

Others view the very events in parliament as the results of the deteriorated government atmosphere, not as a cause of it. Instead, it would be a question of a new adjustment to a new era in politics, an era following the pronounced census policy pursued during President Kekkonen's last year. These observers refer to the Social Democrats' new 'role as supporters of the state' and the problems of the Center Party in adjusting to its new role as a 'party among other parties.'

However, there seems to be agreement that reports on economic trends as well as opinion polls combined with the lack of any real alternative will make Kalevi Sorsa's government particularly hard to overthrow, despite all of the strained relations among persons.

SOARES ON DOMESTIC POLITICAL, ECONOMIC SITUATION

Madrid CAMBIO 16 in Spanish 30 Apr-7 May 84 pp 76-79

[Interview with Portuguese Prime Minister Mario Soares; date and place not given]

[Text] "The revolution was undertaken to institutionalize democracy," says Mario Alberto Nobre Lopes Soares, whom the world knows simply as Mario Soares. The Portuguese prime minister harbors no doubts: the Salazar regime had to be ended, and his country had to be turned into a Western European democracy. No adventures, no utopias, no risks. In 1974 and 1975 Soares's program came up against the Communist Party, which he blames for almost all of the country's current woes. In a 1-hour exclusive interview with CAMBIO 16, Mario Soares referred spontaneously to the communists seven times.

CAMBIO 16: What were the most critical moments for Portugal over the past 10 years?

Mario Soares: The most critical moment was in November 1975, when we were faced with an imminent takeover by the Communist Party, which wanted to pull off a sort of 1948 Prague coup here. There have been other perilous moments. The death of Sa Carneiro..

CAMBIO 16: What impact did his death have?

Mario Soares: The leader of the PSD [Social Democratic Party] was gone. It was a serious matter.

CAMBIO 16: The press and politicians are talking about an Italianization of Portuguese politics. Do you think that Portugal has a defect in its political system?

Mario Soares: I don't think so. I think that some people within the system don't want to see the democratic institutions we have operate.

The fact is, though, that Portugal is politically stable right now. We have put together a coalition that has a wide majority, two-thirds of the votes in Parliament. Moreover, we have a broad social base of support that represents five million voters in all; this is an overwhelming majority

The two main parties (one with 36.5 percent of the votes, the Socialist Party, and the other with 27 percent, the PSD) are the ones that are in power. In 1976 they reached an agreement to reform the constitution, to put an end to the military guardianship of our political system by abolishing the Council of the Revolution, and to thus insure democratic civilian rule in Portugal.

Barely 2 months after the elections, the Communist Party was calling for new elections and the collapse of the government. Fortunately, the Communist Party represents only 12 percent of the electorate, 16 or 17 percent with its fellow travelers, and is on a steep decline.

CAMBIO 16: There are those who say that if this political experience were to fail, the support for a presidential system would mount...

Mario Soares: The Far Right is pushing a presidential system to oust the Socialist Party from government. In 1978 and 1979 some on the Right tried to entice the president of the republic into playing a bigger role in Portuguese life, forming a presidential party and heading up a presidential opposition. That endeavor was a disaster.

CAMBIO 16: Wouldn't a presidential system represent the failure of the Portuguese political class that replaced the Salazar regime?

Mario Soares: It would be the beginning of the end of pluralist democracy Western European-style and the beginning of a hybrid system.

CAMBIO 16: How strong are the reactionary sectors in Portugal today? How strong are the Far Left and Far Right? How strong is Spínola?

Mario Soares: No, No! Don't include Spínola in that group! Spínola's evolution has been arduous, but he's in Portugal now and supports the democratic system and the government, discreetly but effectively. As far as the Far Right is concerned, it speaks for... maybe 10 percent of the population? No, even less.

CAMBIO 16: And what is its attitude?

Mario Soares: It has a number of mass media mouthpieces that are mildly aggressive and engage in some intrigue...but this is really quite limited.

The Left consists basically of the Communist Party. The Communist Party is a coup-plotting party that always tries to disrupt the situation in Portugal. Its sole objective is to create internal problems and to scheme in Africa to insure continuing Soviet hegemony in Angola and Mozambique.

CAMBIO 16: Is the economic crisis that serious?

Mario Soares: The Portuguese revolution was adversely affected by the international economic crisis, by the 1973 oil shock, by the European recession, which cut off emigration to Europe (and as you know, there are many Portuguese emigrants), by the second oil shock in 1979...

As prime minister in the first and second constitutional governments in 1976, 1977 and 1978 I made a serious attempt to revive the economy through an austerity policy. The country later entered a period of unrest, caused perhaps by electioneering, and then in April 1983 came the election victory of the Socialist Party.

I made no promises during the campaign; in contrast, I made it clear that if the Socialist Party won, it would have to pursue a harsh austerity program to save the country and assure its future. Our future lies in coordination with Europe. We have achieved results...but obviously there has been some tension and some unpopularity, which are to be expected in these circumstances.

CAMBIO 16: What is the cause of the country's severe economic crisis? A structural problem, cyclical conditions?

Mario Soares: The causes are very obvious. First: 40 years of dictatorship and isolation from the rest of the world in a closed, autarkic, corporative system. Then, we ran into attempted communist subversion. We had decolonization. The entire economy was based on colonization: prices, subsidized raw materials, imports. All this suddenly disappeared. This was compounded by the world economic crisis. How could there not have been hard times in Portugal when there were in France, Greece, the United States, Italy, all the democratic countries, not to mention the Eastern European nations, where the crisis was awful? The U.S. Government considers it a miracle that Portugal has managed to surmount its problems without violence, without major upheavals and with genuine stability.

CAMBIO 16: But a huge portion of the Portuguese economy is underground. You yourselves call it the parallel economy.

Mario Soares: But you know that we Latins have a talent for clearing up our difficulties. The most impressive example in macroeconomic terms is Italy. According to all the macroeconomists, Italy does not function as a country. But after looking at the statistics, we see that it does function. And it functions well! Like Portugal, it has parallel circuits...

CAMBIO 16: Your description sounds very much like that of an under-developed country.

Mario Soares: That's true. Portugal is astride two worlds. We are between the developed world and the underdeveloped world. We are not an underdeveloped country. We have high-technology industries and produce the latest items. For example, we manufacture cars for the Chicago subway and enormous cranes for the port of New York, and we have supplied telephones to Bahrain. But if you go into the outlying districts of Lisbon, Oporto or to other places around the country, you find the features of a Third World country.

CAMBIO 16: Portugal was a major power for centuries. It was a country with an empire, with colonies. It is hard to understand why its people are now so poor just because all that is gone. The country is down to 10 million inhabitants. What can it do? Merely become submerged in Europe?

Mario Soares: Not become submerged. I am an advocate of a supranational Europe with European institutions, and I will struggle for that. Portugal is going to become part of Europe and contribute to it. I must say, however, that Portugal's identity is not going to disappear on this account.

Moreover, Portugal was never a great power. Portugal was a great colonial empire that was, in turn, colonized itself, first by the British, then by others and still later by the multinationals. We never had the outlook of a great power, except in the 16th century. We have always been a small country and we have had the same European borders for the past eight centuries. Our country wants to coexist with the other European countries and with Spain in particular. And even though you have chosen not to ask me about it, the Spanish-Portuguese summit meeting that took place here last December between me and Felipe Gonzalez marked a turning point in relations between the two countries.

CAMBIO 16: Relations have not been good for centuries

Mario Soares: Europeans have always feared Spain and an understanding between Spain and Portugal. Spain is an intermediate European power, hence the problems that it is having in joining the Common Market. Because of its population, its land area, its industry, its fishing (it has the third largest fishing fleet in the world), its people's vitality, its cultural and political vigor and its longstanding relations with Latin America, Spain is, in fact, an intermediate European power that could be compared to France, England and the FRG. Portugal is on a different level, the level of Holland, Denmark, Belgium.. Relations with Spain are already beginning to change.

CAMBIO 16: Isn't that just rhetoric?

Mario Soares: No, it is not just rhetoric. It is a realistic political sentiment in 1984... And I would like to say that Prime Minister Felipe Gonzalez is a great statesman with a great sense of responsibility

DEFENSE MINISTER ENGELL URGES FOLKETING SUPPORT SUBMARINE FLEET

Copenhagen BERLINGSKE TIDENDE in Danish 7 May 84 p 3

[Article by Lisbeth Knudsen: "Easy to Be a Hidden Submarine in the Baltic"]

[Text] The minister emphasized the importance of Danish submarines as a part of reconnaissance both in war and peacetime, while the parties to the defense agreement negotiate over whether we will build or lease new submarines.

The temperature and salt content of the water in the Baltic make it especially difficult to detect submarines in that area, and there are no indications that the possibilities will be better in the next 15 years.

This was confirmed by Minister of Defense Hans Engell (Conservative) before the Folketing Defense Committee, which had a number of questions in connection with tightening the Danish regulations for turning away foreign submarines entering Danish territorial waters.

The minister of defense wrote that the waters of the Baltic are very favorable for submarines.

"Sound waves are distorted, dampened and reflected differently from time to time and place to place, such that the range of even modern active and passive sonar equipment on ships and other craft is very reduced against modern quiet submarines.

"Because of comparable complicated magnetic conditions--the magnetic background noise--a magnetic sensor which measures the change in the magnetic field caused by the presence of a submarine can not have a noteworthy effect on modern submarines in the Baltic," wrote the minister.

In the answers for the Defense Committee the minister emphasized the great value which Danish submarines can have for reconnaissance and the like. In connection with the current negotiations on a new defense agreement, a position will be taken as to whether Denmark will build new submarines or lease them from West Germany.

During the summer the defense minister intends to have the results of the extensive study of the military conditions which were introduced last year to counter violations of sovereignty. Hans Engell acknowledged in a reply to the Folketing that it is a difficult job to repel such violations effectively.

"If Danish sovereignty is to be maintained effectively, it will be necessary to employ all available resources in a situation in which it is recognized that a foreign submarine has illegally entered Danish territorial waters, and it will be necessary to be ready to use the requisite weapons at the moment when contact is made with the submerged submarine. The recently promulgated regulations for turning away foreign submarines take that into consideration, and they are furthermore a pronouncement to the world of the importance that we attach to protecting our sovereignty," concluded the minister.

9287

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SOCIALIST DAILY SKEPTICAL ABOUT WARNING TO INTRUDING SUBS

Copenhagen AKTUELT in Danish 18 Apr 84 p 8

[Editorial: "14 May"]

[Text] On 14 May some tougher new regulations will take effect. They indicate how the Danish military is to deal with the intrusion of foreign submarines into Danish waters.

After 14 May, if such intrusions occur, Denmark will resort to armed force to bring the vessel to the surface, "if necessary to prevent the intruding vessel from escaping," Defense Minister Hans Engell said.

These stricter regulations are inadvisable. Now we can only call on higher powers and the Eastern Bloc, in the hope that no foreign submarines will enter Danish waters and, if they do, that whoever lays eyes on them will keep quiet. Moreover, what is it that gives some people the idea that we have such enormous military strength that we can manage to do what the Swedes have had to admit that they cannot do?

What is it that makes Danes believe we can force a foreign submarine to surface in our waters, while Sweden has had to beef up its military budget--and still is unable to catch submarines trapped in Swedish fjords? The only time they succeeded was when the submarine's captain was drunk.

It is not stated that armed force "can" be used against foreign submarines in Danish waters. Armed force "shall" be used, according to the new regulations. It is as if war had already been declared, at least after 14 May.

9336

CSO: 3613/152

DEFENSE MINISTER ENGELL PRESENTS MATERIEL REQUEST TO PANEL

Copenhagen INFORMATION in Danish 24 Apr 84 p 10

[Article: "New Materiel For Military"]

[Text] Defense Minister Hans Engell (Conservative Party) is seeking support in the finance committee of parliament for contracts involving the purchase and repair of materiel for just under 2,5 billion kroner.

The contracts would be signed this year, but the expenditures would be distributed over several fiscal years, within the framework of the Defense Ministry's normal allocations for materiel investments.

The defense minister's request to the finance committee includes 25 projects, such as communications equipment for the army and home guard worth 199 million kroner, antitank weapons and ammunition for 150 million kroner, air-to-sea missiles for 210 million kroner, restoration of Falster-class minelayers for 104 million kroner, and the lease of materiel to two IHAWK missile squadrons for 197 million kroner.

These projects are being requested in order to modernize materiel used by the military. They represent an agreement reached by an 11-member subcommittee of the defense committee, according to Hans Engell's request to the finance committee.

The defense minister is also seeking support in the finance committee for an additional 12.4 million kroner to modernize the Sjaelso firing range and 2.3 million kroner for a firing range in the Tranum region of North Jutland.

In addition, Hans Engell is seeking 6.8 million kroner to purchase medium-wave radio equipment and automatic coding devices for ships belonging to the Fisheries Inspection. The new equipment would replace technically outdated materiel.

Finally, the defense minister wants 2 million kroner for equipment used to maintain LYNX helicopters used by the Fisheries Inspection.

BRIEFS

GUNBOATS BEING REFURBISHED--The Turunmaa and Karjala gunboats will be refurbished. This decision was made by the government last Wednesday. The repair work will be carried out at the Wartsila shipyard at Abo, where the employment situation at present is becoming worse. The main machinery, among other things, of the gunboats will be modernized, and the special equipment will be replaced by new equipment. The Turunmaa and Karjala gunboats were put into operation in the year 1969. It is expected within the Defense Ministry that the refurbishment will prolong their period of use by approximately 15 years. The length of the gunboats is 71.1 meters, the width 7.8 meters, and the displacement 650 tons. The maximum speed is 35 knots. The gunboats are equipped with one 120-millimeter gun, two 40-millimeter guns, and one 23-millimeter gun with double fire tube. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 26 Apr 84 p 11] 7262

CSO: 3650/196

MILITARY

NORWAY

BRIEFS

LORAN-C EXPANSION POSTPONED--The planned expansion of the Loran-C navigation system cannot get under way this year as anticipated, according to a Storting report that was presented to the cabinet on Friday. Further studies are needed. Among other things an evaluation will be made as to whether cooperation with other stations can be established on the continued operation of Loran-C in the areas in which Norway is most interested. The Ministry of Fisheries will also once more talk to the oil companies about their participation in financing. [Text] [Oslo AFTENPOSTEN in Norwegian 14 May 84 p 3] 6578

CSO: 3639/116

DEMOGRAPHIC STUDY SHOWS DROPPING BIRTHS, AGING POPULATION

Brussels LA LIBRE BELGIQUE in French 20 Apr 84 p 3

[Article by Paul Vaute]

[Text] "A country without youth is destined to become a country of old people chewing over old ideas in old houses." Is this cruel prophecy, made 30 years ago by Alfred Sauvy, about to be realized in our country?

The first results of the 1981 national census--which have just been published--and the recent study by Professor Andre of the Free University of Belgium (ULB) on the population of Wallonia lead to the same conclusions: as the 21st century dawns, we will be both less numerous and older. Will we still have a future?

The demographic warning bell has already rung more than once in our country, even if it has often had no effect. As early as 1952, the report of a study committee created at the initiative of Minister of State Jean Rey bore the title: "The aging of the Belgian population and the danger of the falling birth rate." Ten years later came another warning; this was the publication of the report on Wallonia made by Alfred Sauvy, the famous French expert who had already succeeded in his own country in administering a setback to the birth control inclinations of the Guy Mollet cabinet.

Since then, the warnings have multiplied. Again last year, a group of professors from the country's leading Francophone universities made an effort, within the framework of the Center for Population and Family Studies, to call the attention of public opinion and political leaders to the problem. This was also the objective sought by the King Baudoin Foundation in organizing recently a series of seminars intended to provide the material for a campaign to increase public awareness.

Under the leadership of Professor Robert Andre, the Demographic Center of the ULG's Institute of Sociology has just published a new report devoted to recent tendencies and future prospects in Wallonia. This work, carried out at the behest of Mrs Jacqueline Mayence, who is in charge of housing and data processing within the regional executive body, indicates that, in recent years, the situation has continued to get worse.

At the time of the Sauvy report, in fact, generations renewed themselves and there was even a gain. Today, the natural birth rate is negative: "Except for the influx of migrants, the population of Wallonia would have decreased between the 1970 and 1981 censuses." The aging of the population entails a markedly high death rate among males. As of March 1, 1981, persons between the ages of 55 and 59 were more numerous than children under 5.

The projections that can be made for the period from now until the end of the century all show a decline in population and a strong rise in the average age. The scenario in which we are engaged (decline in mortality rate, drop in fertility rate and continuation of net emigration) will result in a loss of 9 percent of the population of Wallonia by the year 2001 and of almost 30 percent (or more than 900,000 people) by 2031. Moreover, the survivors--it is hardly an exaggeration to call them that--will include sexagenarians (people 60 years old or more) to the extent of almost a third of the total, and these will hardly be less numerous than young people under 20.

If this situation is to be avoided, Professor Andre suggests, the years to come will have to be characterized by increased fertility rates and a resumption of immigration. In such a case, the decline in population could be reduced to 2 percent by 2001, after which a new demographic expansion would set in, leading to an increase of 9 percent (as compared with 1981) by 2031.

Fewer Cradles, More Coffins

While Professor Andre's report deals with the accentuation of demographic tendencies among the Walloon minority in Belgium, its overall conclusions are largely applicable to the northern part of the country. As everywhere in Western Europe, the declining birth rate in Flanders was accentuated in recent years and the rate there even fell lower, between 1973 and 1975, than that in Wallonia.

According to statistics from the national census of 1 March 1981, the first volume of which has just been published, the 1971-1981 period was characterized, for Belgium as a whole, by a falling birth rate, notwithstanding the slight correction of this trend in the last five years. Over the 10-year period, the excess of births over deaths was less than 100,000--a figure hardly reached for two years of the 1948-1961 period.

Two other indices of the declining fertility rate are particularly significant: while the annual average marriage rate rose by 3.7 percent, the annual average birth rate fell by 16.1 percent during the same period; and the annual average of births per 1,000 inhabitants, which was 16.38 between 1948 and 1961 and 15.51 between 1962 and 1970, was only 12.76 between 1971 and 1981.

Borinage-Centre-Liege: A Desert?

However useful national or regional approaches may be, it is rather at the "sub-regional" or even local level that the most revealing indications of the

action to be taken are found. The variations at these levels, in fact, are of a scope that hide the averages applicable to large territories. In demographic questions, there are greater differences between Namur and Charleroi than between the Ardennes and Limbourg.

Professor Andie's study takes these disparities into consideration. Under the hypothesis that writing tendencies will be maintained, the industrial areas of Wallonia (Borinage, Centre, Liege) would lose nearly 20 percent of their population by 2001 and 50 percent by 2031, while the population of the Ardennes and approaches (Hesbaye, Condroz and Namurois) will increase until 2001 and remain stable between 2001 and 2031. Strategies to redress existing tendencies would obviously have equally different effects, reducing losses in the first case, increasing gains in the second.

In any event, the diagnosis is well established. "Our objective in the present exercise," notes Mrs Mayence, "is not to propose a policy but to create a tool." This has now been done. We await future developments with interest.

12336

CSO: 3619/60

MINISTRY ACTIVE IN EFFORT TO INCREASE EXPORTS TO ASEAN COUNTRIES

Helsinki HUFVUDSTADSBLADET in Swedish 26 Apr 84 p 17

[Article by Sigyn Alenius]

[Text] The Danish Foreign Ministry has set for itself the goal of having fifty Danish enterprises established in Asean [Association of South East Asian Nations] countries within the next 2 years.

A total of four hundred enterprises have indicated their interest in export to South East Asia.

The competition in the Asean markets is extremely severe. Among others, among the Nordic countries, but also the Japanese play a big role.

The Danish Foreign Ministry has decided to spend 10 million mark on information and market preparation. The goal is to have 50 Danish enterprises working in Asean countries within the next 2 years.

Four hundred Danish industrial enterprises have applied to the department for export promotion which coordinates the efforts from the Danish trades and industries and the trade department of the Foreign Ministry in Copenhagen.

The Danish Federation of Industries is entirely aware of the fact that the competition is extremely severe.

Advanced Technology and Investments

The Asean markets are no open marketplace where one may introduce just any articles and expect for them to be picked up anxiously by the buyers, says the Danish Federation of Industries.

The Asean countries are primarily interested in advanced technology products and investments.

The possibilities of the Danes are in both of these areas. They have the technical know-how and a long-established production, among other things,

of electronics of a high international level. They are experienced in projects in areas such as finished major plants--for example, dairies--as well as machinery for food production.

Not Below 300,000 Mark

"It will not be a question of any quick and easy profits," says Erik Windfeld-Lund.

Danish enterprises will have to reckon with 3 years during which their costs will exceed their profits. Investments below 300,000 mark will be completely out of the question.

F. L. Smidt--an old well-established Danish enterprise within the cement-production sector--which has been working in many markets, including Asean markets--recommends cooperation with Chinese commercial enterprises.

"Let the Chinese do the marketing work. This they know, and they are familiar with the local psychology and requirements. The Danish efforts should be limited to know-how and components as well as finished products," F. L. Smidt says.

The Asean countries do not today constitute any major part of the Danish export markets: a total of 1.2 percent of the total exports in 1982. However, the growth potential is described as obvious and extremely large.

The contribution made by the Danish Foreign Ministry of 10 million mark for information and public relations will be channelled through the export promotion department.

No Nordic Cooperation

Danish diplomats from the Asean region have been called back for conferences in Copenhagen, and Danish Foreign Minister Uffe Ellemann-Jensen has visited both Singapore, Brunei and Indonesia.

He would have liked to include Malaysia during the same trip, but the political unrest in the country prevented it.

"That will have to wait for another trip," Foreign Minister Elleman-Jensen tells HUFVUDSTADSBLADET.

In answer to a question from HUFVUDSTADSBLADET whether it is conceivable that all of the Nordic countries would get together in a joint effort on the Asean markets, the minister says:

"Neither I nor my Nordic colleagues believe in any joint Nordic marketing effort. It is seldom useful to enter into cooperation with one's worst competitors--as you know, in the Nordic countries we produce to a large extent the same articles. We all want to sell as much as possible, but we probably do it independently."

INDUSTRY STRUCTURE CHANGES BRING VARIED REGIONAL RESPONSE

Modest Optimism in Ruhr

West Berlin TAGESSPIEGEL in German 27 Mar 84 p 3

[Article by Juergen Zurheide: "Promising Investments for the Future to Dispel Subsidy Mentality"]

[Text] Duesseldorf, March--Essen Senior City Manager Busch was satisfied. He was able to pass some happy news on to the inhabitants of the biggest city in the Ruhr region. A representative survey conducted by a Cologne public opinion research institute revealed that four out of five citizens stated that they were satisfied with their city. In contrast to the widespread prejudices, with which the Ruhr region is described primarily as a dirty enclave of factory shops, chimneys, and blast furnaces, the folks in Essen feel entirely comfortable and they even find that the availability of parks, green areas, as well as athletic and shopping facilities had improved considerably in recent years. What the public opinion investigators determined in this case for Essen, applies to the entire Ruhr region.

But the picture imparted by the survey has at least one weighty blemish. The interview subjects came up with definitely negative responses regarding the outlook on the labor market. Nine out of ten even predicted a definite deterioration of the situation. They are afraid that the region's economic decline is far from over and that it will sweep quite a few jobs away. The monthly statistics from the employment offices seem to confirm this development. At the end of December, 250,000 persons or 13.8 percent of the employable population were looking for work. That comes to 3 percent more than the average for the State of North Rhine-Westphalia. Problem sections, such as Dortmund and Duisburg contribute particularly to this situation with unemployment rates of more than 15 percent; there, almost one out of every six persons goes to collect his unemployment check.

No change is in sight. Even the most emphatic optimists cannot help but realize that the situation will under no circumstances get better during the next several years. More job losses are appearing on the horizon even today in the region's trouble spots. During the coming 5 years, at least 60,000 jobs will be definitely wiped out in the coal and steel sectors. Even if the economy should pick up again a little bit, prospects for the future look only slightly favorable. The surplus capacities in the case of coal and steel are so huge that, considering present-day world market conditions, one can no longer expect the earlier output figures in the Ruhr.

In the meantime, the doubters have also learned this lesson. Of course, it had been argued for a long time, in a simplistic and wrong way, that all that is necessary to get the Ruhr area going again would be for the economy at home and abroad really to get moving again. Today, responsible officials in the political establishment and in the economy are outdoing each other with the demand that the necessary structural change be pushed as quickly and massively as possible.

This is also urgently necessary because it is especially the Ruhr region which is limping behind the nationwide average economic growth development. There has even been a real disconnection of the North Rhine-Westphalian economy from the rest of the country. This trend has been growing stronger since 1976 and produced a situation in which, in 1982, 2.2 percent less goods and services than during the preceding year were recorded within the state's boundaries, while the comparable decline in the rest of the federal territory was only 1 percentage point. The final accounting for 1983 promises hardly any better figures.

The Errors of the Past

This is where the chickens are coming home to roost. They have tried only too long in this region to fight against structural change, including with public funds--of course without success. In the mining industry, every other job was lost and domestic steel production is also down. But it was easy to see a long time ago that these branches would be able to assert themselves neither in the European subsidy jungle, nor in the competition on the world market in the former degrees of magnitude. But, instead of trying to come up with a meaningful reorganization, the Ruhr region managers preferred to peek into the subsidy pots of Duesseldorf or Bonn. With a view to the recent failure of the merger negotiations in the steel industry, North Rhine-Westphalian Economy Minister Jochimsen observed rather glumly: "So long as we are not working toward a real solution but so long as we are only trying to outlast others in order, possibly, to benefit from their collapse, so long can there be no reorganization or restructuring on the enterprise side."

The readiness to change this situation however does seem to be in motion now. Jochimsen published a study relentlessly analyzing the causes of weak growth in North Rhine-Westphalia. The authors arrived at the result that the products turned out in the region are good but that they frequently passed their high points on the market. In other words: Many products are old and their demand in the future will, if anything, go down. On top of this there is the fact that there has so far been too little adaptation to the needs of the world market. Jochimsen supplied an explanation for the lacking dynamics: "The region has always been governed by a few and has been administered by many." For a long time there have been no managers who would point the way to the future.

But the economy minister remains optimistic. On the asset side of the Ruhr region he recorded the excellent infrastructure, sufficient land areas, and skilled labor. He did not abandon the old industrial landscape, far from it, and forcefully resists critics who, at best, would allow this region to have

the status of an open-air museum of industrial history. To make sure that this will not materialize, the enterprises on the spot must, in his opinion, accept the technological challenge. There are examples for the success of this strategy: The first "continuous annealing line" was installed at Hoesch in Dortmund with government assistance; this, in brief, means simply that only extremely short distances have to be covered from now on in steel production all the way to the processing stage. That saves time and money.

In the Midst of Structural Change

The state government is supporting this structural change with billions from the Ruhr program. Moreover, work is now being done on an "Initiative for the Technologies of the Future." As was done in the sector of waste gas desulfuration in coal-fired power plants, other top-level technologies are to be promoted in the state. In this process, industry will soon be assisted by a "transfer institute" which the state government wants to establish in the course of this year. There, smaller and medium enterprises, which cannot afford to run their own expensive research department, will get technical advice.

This technical assistance is designed to push the wave of new company establishments further. New jobs at any rate are also being constantly created. Of course, not so many that the losses in big industry could be made up but at any rate enough to brake the decline on the labor market slowly. This was also observed by Andreas Schlieper, the chief economist of the Ruhr Region Community Association: "Unemployment will not yet decline but what other regions have yet ahead of themselves has already happened here."

Saar Rethinks Future

Duesseldorf HANDELSBLATT in German 27 Mar 84 p 16

[Article by Joachim Penner: "Mining Industry Promotion To Be Further Reduced"]

[Text] HANDELSBLATT, Monday, 26 March 1984 -- Saarbruecken--
Hard coal is a part of the Saarland's industrial heritage. Along with the smelters, mining has been the foundation of industrial development since the middle of the last century. What had been structurally advantageous for the economic region of the Saar 100 years ago has in the meantime become the exact opposite: The mining districts are in the midst of a crisis and mining in the Saar region has not been untouched by this.

After the two oil price crises, the situation at first looked particularly good for the future of mining in the Saarland. In the course of the coal crisis, coal mining had dropped to less than 9 million tons but was to be increased successively to 15 million tons during the 1990's. The economic downturn since the start of the 1980's, but especially the structural crisis in the Saar smelters also forced the minds in the Saar region to do some re-thinking, to revise their plans, and to adjust to the new realities.

In 1982, barely 11 million tons of Saar coal had been mined; all signs now clearly point to a reduction: In 1983 the figure was only 10.3 million tons and in 1984 plans call for 19.17 million tons [as published].

But the Saar miners are cautious men: During the first coal crisis in the 1960's they had already avoided "allowing" their coal fields "to be drained" in order thus to guarantee the availability of coal during better times. In 1983-1984, they resisted demands for the closing of one of the six Saar mines. The extraction volume of course was reduced but the plants remained in operation; after all, times can improve quickly.

As for the development of the situation for the year 1984 as a whole: Accompanied by cautious optimism, the demand for coking coal after all did go up again slightly because of the anticipated improvement of the demand from the Saar smelters. There will probably be a slight decline in the case of power plant coal (domestic) with 6.0 million tons (as against 6.11 million tons the year before). The use of Saar coal at the Fuerstenhausen coking plant will probably be about 160,000 tons above last year's figure with a total of 1.4 million tons. The utilization of the coking plant during the first half of 1984 would appear to be 100 percent whereas, during the second half, there should be a decline because of the opening of the central coking plant; but figuring for the entire year, this would still give us an average of 93 percent after a figure of 82 percent the year before. In the so-called "third sector" we find a stabilized situation with 0.7 million tons.

Initially, the Saar mines over the next several years will probably start with a stabilization of their sales on the order of 10 million tons, of course tied in with the possibility of quickly increasing the mining volume if the market should demand more coal.

It would seem that the Saar mines would definitely increase their mining volume if a coal hydration plant is built on the Saar. In this respect, the Ruhr region and the Saar region are competing with each other in Bonn, in which connection Saarberg can claim some advantages for itself. Here we might include for example the fact that Saar coal is particularly suitable for hydration and that there are several sites in Saarland for the construction of a coal liquefaction plant, depending on the plant's dimension.

At the Ensdorf mine, Europe's most efficient mine, the extraction volume could be increased within a short time by no less than 2 million tons at extremely favorable costs. That could be used to supply a coal liquefaction plant with an annual flow of 2 million tons.

In the modern large-scale power plant at Bexbach, which already has the most modern environmental systems, the Saar mines recently established an example as to how economic and ecological interests can be reconciled. At the end of 1983, Saarbergwerke AG [Incorporated] employed 25,283 men and a year later the figure is to be 447 less, in other words, 24,836. At the same time, the mine dumps along the Saar are to decline from a level of 1.5 million tons at the end of 1984.

Bavaria Expands Microelectronics Effort

Munich SUEDEUTSCHE ZEITUNG in German 4 Apr 84 p 24

[Article by Christian Schneider: "Cabinet Approves Two New Chairs at Erlangen University"]

[Text] Munich, 3 April--Bavaria is to continue to retain its leading position in Germany in research and development in the field of microelectronics. This is why the cabinet during its Tuesday session approved the installation of two new chairs for "integrated structural components" and "computer-assisted design" at the University of Erlangen-Nuernberg. The novel aspect here is that a part of the money required for this will come directly from industry. Moreover, the state government intends soon to submit an all-Bavarian concept on the promotion of microelectronics.

Following the cabinet meeting, Culture Minister Hans Maier and Economy Minister Anton Jaumann, in talking to the press, confirmed that the impetus for the establishment of the two new chairs at the University of Erlangen-Nuernberg sprang from industry. Around 60 firms from northern Bavaria banded together to form a promotion association which, on the basis of a foundation contract, wants to make DM1.5 million available for the joint financing of one of the two new chairs. At the same time, the state government, in its next twin budget for 1985-1986, wants to include provisions to guarantee the further expansion of a research institute for microelectronics outside the university.

According to Maier, this is the first time that a foundation chair has been established in Bavaria. This, he indicated, has for a long time been accepted practice in the United States. It is of course difficult to establish private colleges in the FRG but one cannot object to the financing of individual chairs from private industry funds. The cabinet expressly welcomed the Nuernberg model as "successful cooperation between industry and research." As happened in northern Bavaria, a foundation chair is to be established also at the Munich Technical University with the cooperation of south Bavarian industry. Corresponding agreements are obviously soon to be concluded.

Economy Minister Jaumann underscored the fact that modern microelectronics is of basic significance for the existence of German industry. This technique is currently in the process of entering a new phase. While it is hardly possible to catch up with the lead of the Japanese and the Americans in the production of microelectronic structural components, the FRG however has a good chance of creating the technological prerequisites for the broad application of microelectronics and thus catching up with international development. In order above all to increase the competitiveness of the small and medium enterprises at home and abroad, it is now important, according to Jaumann, to concentrate developments on the design of integrated circuits for so-called specifically customer-tailored, individual, and novel uses.

In the estimation of the state government, Bavaria has the best prerequisites for positively mastering this new challenge from microelectronics by virtue of its industrial-scientific environment. Jaumann however indirectly admitted that Bavaria is threatened with having developments in this field run away from it. In recent years, "unfortunately" a whole series of corresponding research chairs left the Free State. Competition comes above all from Baden-Wuerttemberg and North Rhine-Westphalia, both of which allocated DM60 million, each, for the buildup of research in the microelectronics field. Lower Saxony forked over DM45 million for the same purpose.

5058

CSO: 3620/284

'HIGH-TECH' INDUSTRIAL BASE EVOLVING RAPIDLY IN SOUTH

Bonn VORWAERTS in German 8 Mar 84 p 17

[Article by Petra Lidschreiber: "'Economic Miracles' Moving South"]

[Text] "Northern Lights" learn to dread the south-north differential in FRG. An economic differential, running from south to north, is developing in the FRG. Bavaria and Baden-Wuerttemberg are becoming technological pacesetters.

Now, Heinz Nixdorf is also migrating south. This man does not seem to have any hometown loyalty, at least not for his region. After all, until a short time ago, he--or his Paderborn-trailblazer enterprise--was the northwest's most powerful evidence of the fact that one can certainly still live, invest, and even make money on the Rhine and in the Ruhr.

That the FRG's most successful computer manufacturer has now decided to move his main office from Paderborn to the capital of Bavaria is something which leaves Munich further to be desired in terms of symbolic clarity: It so happens that Munich is increasingly developing into a center of the computer industry, was the entrepreneur's simple explanation; and in this way he had managed to wrap a new phenomenon of domestic economic development into a handy formula.

The differential as we go from south to north at this time is teaching city fathers and state leaders in the concentrated crisis regions in the north, above all along the coast and in the city states and in the northwest above all in the Ruhr region, how to be afraid. And if it is not the growing economic development differential then it is bound to be at least the unevenly distributed economic-policy success experiences that give the leaders of states run by the SPD policy success experiences that give the leaders of states run by the SPD [Social Democratic Party of Germany] a big headache. Intellectual and technical innovation today is at home where the CDU [Christian Democratic Union] is in control.

Lothar Spaeth, for instance, Baden-Wuerttemberg's dynamic minister-president, is running his election campaign with the slogans of the last politician in this

state of ours who still has any ideas at all. And the fellow is right: In no other federal state are there so many programs and are there so many implemented ideas for the establishment, expansion, and reorganization of entrepreneurial development possibilities as in Baden-Wuerttemberg.

Here you can find company establishment loans above all for smaller and medium enterprises, technology parks, in which young enterprises are allowed to practice before they are launched on the merciless open market, and here you find the kind of research promotion which at last will drive the freedom of research and instruction, that after all is if anything useless for the national economy, out of the universities: In other words, government money will be given only for college-level research which is guided not so much by the Faustian discovery drive but rather by the interests of industry.

These interests above all include Lothar Spaeth's pet projects: microelectronics, biotechnology, communications technology. If it were up to him, the state would soon become a showplace of the economic-technological complex: glass-fiber-cabled, microelectronically controlled production in enterprises, and new jobs at home computers and hearth especially for the women.

Spaeth certainly can afford to engage in such dreams for the future: He has to cope with less current problems than his colleagues in the north. Because the southwest could offer neither natural resources, nor coastlines, it came to enjoy industrialization later than the strongholds of the raw materials and heavy industries. Small crafts enterprises became processing companies which only in special cases attained the order of magnitude of the concerns found in the northwest.

Of course, Daimler and Bosch--two big employers--above all determined the field for numerous smaller suppliers but the latter usually proved to be no less efficient than the big outfits in whose wake they were sailing along. Swabian machine-tool makers, for example, achieved worldwide fame and their products are the state's big export hits.

While North Rhine-Westphalia's mostly excessively large machine-building concerns in the meantime are looking to catch up to the present in Japan and the United States and purchase the electronics there for their own needs, the Swabians usually make what they need under one roof in order to be successful on the world market.

This economic structure still bears fruit: In Baden-Wuerttemberg the unemployment rate is only 6.3 percent as against 10.2 percent for the federal average. The growth rates and the export shares are higher than anywhere else. For the time being--because it also appears in this little model state that the worldwide economic recession cannot be stopped by any ingenious prime minister. Already, output is no longer going up as fast as it did a couple of years ago

and local domestic pride because of the comparatively low unemployment rate is clouded by above-average working hour reductions. The Wuerttemberg supermachines will in the end have to assert themselves also against the worldwide demand stagnation--no matter how many technology parks Lothar Spaeth may erect.

Baden-Wuerttemberg got competition in the domestic German contest from the foothills of the Alps: The real economic miracle has moved deep into the south of the republic. The former agricultural state of Bavaria has become the technology center of tomorrow. More and more small companies--which are tinkering with highly-specialized electronics systems--are settling down outside of and around Munich. Already, comparisons are being made to the American "Silicon Valley," the computer paradise in California and around Boston.

Bavaria made all this possible without any tricks and without any highly inventive regional economic policy. The Free State happens to have had the "good fortune" of being the home of the big armament concerns. Where weapons are being made, there is also research being done (with federal funds) and where research is being done, there are highly skilled workers who, in turn, have a good opportunity for making the big leap to self-employed status with little money and much acquired know-how.

Bavaria thus got a new and blooming industry branch on its pastureland without state policy first having to go into action.

The green meadows in the Ruhr region, along the North Sea coast and in the city states however had already been built up when the future-oriented industry branches became fashionable. The enterprises which are still sitting there are reluctant to give them up even though they have no further use for their idle land and their orphaned plants. Thus the settlement of new industrial installations for the industrial use of land is often prevented because that which is good for the region need not always necessarily be good for the particular concern.

But even the inspired ideas of agile minister-presidents come to a grinding halt before the entrepreneurial decision-making centers in Duesseldorf, Munich, Chicago, or Detroit. Government interference in private-industry decisions by individual enterprises is something which the Iron and Steel Industry Association does not consider proper in terms of "regulatory policy."

5058

CSO: 3620/283

COMMISSIONER PREVOT COMMENTS ON NINTH ECONOMIC PLAN

Paris LES ECHOS in French 29 Mar 84 p 3

[Interview with Hubert Prevot, general commissioner of the economic plan, by Jean-Michel Lamy; date and place not specified]

[Text] The very same day the Cabinet was putting the final touches to a survival plan for three basic industries--shipbuilding, coal, and steel--Hubert Prevot, general commissioner for the economic plan, was issuing a stern warning to the government. "If we continue in this way, we are not going to move quickly enough in developing new activities that show promise of creating jobs," he explained to LES ECHOS. Furthermore, as the economic recovery gets underway, our competitors could indeed further increase their lead.

[Question] Can the Ninth Plan's operations serve as a stimulating reference for decision makers?

[Answer] A striking development, in my opinion--and I can honestly say that the Ninth Plan's operations have contributed thereto--is the fact that we can now better detect the basic patterns of the future. First, on the international level we are more cognizant of the actual policies of the United States and Japan, and of the strategies of American and Japanese firms. I believe we also have a clearer view of the, at times dramatic, evolutionary changes in different areas of the Third World and in the oil-producing countries.

The broad outline of what the world will be like between now and the end of the century is emerging little by little. Admittedly there can still be many accidents, and we can logically assume that there are still new crisis-prone factors in the energy situation or because of the deep-seated imbalances plaguing the U.S. economy.

Nevertheless, business executives do have a clearer idea of what they must do to have their firms weather the economic crisis, move forward, and adapt themselves to this changing world.

Another example: only 5 or 6 years ago, there was talk of new technologies but the thinking behind this talk was very wooly. Today, most businessmen know what benefit they can derive from using these technologies not only in production systems but likewise as effective management tools. I believe that this is the great difference from the late 1970's. In other words, the vision of what has to be done in organizing companies and in preparing a marketing plan and strategy is clear enough, is convincing enough, to inspire initiative.

Naturally there are still many uncertainties and our analysis of the situation has to be constantly updated in the forecasting groups of the General Commission for the Plan, notwithstanding the atmosphere which surrounded, for example, preparation of the Eighth Plan and which, to a large extent, was quite inhibiting. That atmosphere is now changing.

[Question] What role do the new strategies assign to the government?

[Answer] There is currently a certain reconciliation of views on this subject between the different Western nations. The respective roles of business firms and the government are now becoming clearer.

On the one hand, everyone is more aware of the fact that a company must determine its strategy with a large degree of autonomy and that without a company's own initiatives and drive, no success is possible. Company management personnel realize they must not expect everything from the government while at the same time they are denouncing its excessive intervention.

Yet, at the same time, there is better understanding of the fact that governments must have an industrial policy. Even in the United States, President Reagan has an industrial policy that has considerably helped revive capital spending through fiscal measures too costly to be financed with public funds but unusually favorable to financing through profit plowback. In addition, we note that a growing number of American business leaders support increased coordination and cooperation on the major orientations of industrial development.

In Germany, substantially more is being done to create the conditions necessary to promoting strong medium-term growth while maintaining stability. The Bonn government and the Lander are expending billions in support of certain PMI's [small-and medium-size industries] or certain technological research and development programs. We find the same situation in Great Britain where there are also large-scale programs in support of the electronics industry.

[Question] What are the obstacles?

[Answer] While I did say that I felt things were beginning to move, I must also admit that this favorable upswing is being slowed. There are still much too many companies in which little is happening, either because the necessary will is lacking or because these firms do not have the resources. The balance

sheets of these companies are too depreciated to enable them to finance major capital investment programs.

Now this is a grave situation because those plants that fail to modernize today will close their doors in 10 years. Companies that do not update and upgrade their line of products today will be bankrupt in 5 to 10 years.

Generally speaking, despite some economic recovery, the rate of capital spending planned for 1984 is lower than the Ninth Plan had expected. According to the best estimates, there is a shortage of from 2 to 6 billion francs in investment capital resources for 1984 and 1985. Consequently, action to promote a revival of productive investment will have to be taken soon. At the same time, measures to stimulate further savings will have to be taken so that we can press ahead with our effort to achieve a favorable balance of trade.

[Question] How do you view the government's role in investments for the future?

[Answer] The Ninth Plan is quite clear on that point, so I shall not dwell on it. With regard to distribution of the country's financial resources, and particularly possible contributions to the creation of new business activities, we are still hindered by the need to finance those sectors currently in trouble. This is true as concerns our banks, our major industrial groups, as well as the government.

I would remind you that at government level we shall have to allocate nearly 4 billion francs in subsidies to shipbuilding if we are to save that whole sector from the bankruptcy which would obviously be inevitable without such aid. At the same time, we are allotting about 4.5 billion to the entire space industry and nearly as much in grants of capital to electronics firms.

Generally speaking, these sums allocated to the rescue of financially troubled companies are actually deducted from funds that could otherwise be allotted to creation of new activities and expansion of those firms likely to create jobs in the future.

Another example: while most of the nationalized companies are managing to cut losses, some even to show a profit, this improvement is offset and neutralized by the increased losses sustained by two or three other major companies. Hence we must not beat around the bush, if we continue in this way, we are not going to move quickly enough in developing new activities that show promise of creating jobs, because we shall be obliged, for obvious social reasons, to refrain from applying austerity measures to those sectors endangered by industrial changes.

All parties concerned must face up to their respective responsibilities. For that reason, I fully understand why trade union officials are fighting against any job cuts. This position is all the more understandable in that these officials do not yet see what new activities are going to gradually replace, within or without the endangered companies, those existing activities whose expansion can be considered stymied.

This is a vicious circle which the government is endeavoring to break by its current measures. But if we make existing possibilities more apparent, if we create conditions conducive to the emergence of these new activities, then I believe we shall be able to consider, under more favorable conditions, restructuring financially troubled companies.

[Question] How does all this affect our economic policy?

[Answer] It means that to make more investments at the present time, we must first make a huge savings effort. Especially as increased equipment imports are inevitable even though the overall performance of our mechanical engineering industries is improving.

Thus a voluntary reduction in consumption is necessary. This is the only course of action that can lead to any improvement.

[Question] Can the incipient international economic recovery facilitate our adaptation to changing conditions?

[Answer] Recovery is currently underway in the United States, Germany, and Japan. And this does help increase our export trade, and consequently the business of those companies in a good position to profit therefrom. But this recovery also poses a new challenge. In the countries I have just mentioned, there is a very large increase in capital spending combined with massive use of new management techniques and the most sophisticated materials. In the United States, for example, at least one-third of all capital investments is for commercial implementation of new technologies. All this is an extraordinary source of new areas of competition. As a result, wherever French companies are unable to keep pace and are still inhibited, their competitors are either moving further ahead or are likely to do so. This is the most serious development.

France as a whole is not progressing fast enough in modernizing the bulk of its industrial firms.

[Question] What consideration is given to agriculture in determining the allocation of resources?

[Answer] The priority objective of the Ninth Plan was first to consolidate French industry so that it can successfully face international competition. The plan did not thereby underestimate the depth of the recession in the building trades, construction of public works, and agriculture.

The situation in agriculture is somewhat similar to what is happening in industry. As in the past, the government is compelled to transfer resources in favor of certain crops or products and consequently of certain producers, milk producers, for example.

This shifting of resources has no common measure with what the community is contributing to agriculture in an effort to improve its basic structures--for example, to improve farmland and regroup it into larger farms, construct

better water supply and drainage facilities--whereas these are the very expenditures that ought to permit progressive adaptation of the many agricultural sectors whose further development is now stymied, sectors which ought to reorient their operations to those income-creating crops and products in which we are still not self-sufficient.

[Question] What financial provisions does the Ninth Plan make for the funding of tomorrow's sectors?

[Answer] The Ninth Plan's overall commitment of funds is very explicit. Lump sums were provided for the 12 priority programs and for the funding of contracts between the central government and the regions. These sums have been approved by Parliament. We must, of course, retain these priorities. This will not be easy, however, with the 1985 federal budget which will markedly continue the austerity policy with respect to public expenditures. The relative order of expenditures should abide by the commitments made in favor of the priority programs.

In fact, these programs are designed to combine modernization with priority expansion of: technical and professional instruction and training with the resultant qualification of personnel; research; assistance the region can give to the aforementioned qualification and to the transfer of technological know-how; and also improvement of the governmental services that promote our exports.

[Question] How can we cope, socially, with the problem of a surplus workforce in certain industries?

[Answer] It is extremely difficult to believe that overnight we can eliminate jobs while simultaneously creating them by transferring funds saved to new activities. Accordingly we have a "relay" problem between this courageous job-cutting action, supported by some more than others, and the opportunity afforded us by this courage.

This is a community problem. In my opinion, it is better to spend a bit more money on instruction, on retraining, and even on unemployment than on making up deficits caused by surplus workforces. One possible approach deserving study in certain cases is that of a shorter workweek coupled with use of the free time thus generated for instruction and training. In the Ninth Plan, we earmarked relatively large sums so that the cut in the workweek could follow from modernization projects, changes in work practices, and more efficient use of equipment. I regret that there are not more negotiations underway on modernization plans designed to increase productivity, part of which could be used in the form of a shorter workweek. Such a process does not degrade the sacredness of labor. Forty "exhausting" hours are not more sacred than 35 "intelligent" hours.

Generally speaking, a 3-hour reduction--from 38 hours to 35 hours by 1988--in the average workweek generates 580,000 extra jobs under certain conditions of capital investment and equipment use.

Part-time work should likewise be encouraged, particularly in the civil service. Some 100,000 jobs could be created by increasing the number of part-time civil service employees from 3 percent to 10 percent.

PECHINEY EXPANDS AUTOMOTIVE, ELECTRICAL APPLIANCE MARKETS

Paris LES ECHOS in French 5 Apr 84 p 8

[Article by Alix de Vogue: "Pechiney Secures its Basic Refinery Operations by Thinking in Terms of Automobiles and Household Appliances"]

[Text] Pechiney's current reorganization is designed not only to make money in a period of economic recovery--which the group expects to do this year--but equally to learn how to lose less money whenever the general economic situation deteriorates. And this reeducation process is underway at all levels. "In our refining operations, we formerly had one good year for three bad ones. We now have to have two good years for two duds", explained Guy Chardon, manager of the castings department at Aluminum Pechiney which encompasses a subsidiary, Affimet [Metals Refining Company], the group's specialist in secondary aluminum. Affimet became a fully-owned subsidiary last summer. Its 1983 revenues totaled 750 million francs with profits of 6 million francs.

With some 80 refining firms that produced 965,000 tons in 1982, the EEC occupies a median position between Japan, where all refiners are subsidiaries of firms specializing in electrolytic reduction and the United States, where not one of the major primary aluminum producers, except Almax, is engaged in secondary aluminum operations. The EEC's refiners are mainly small manufacturers, surrounded by a few medium-size manufacturers, especially in the FRG (Bruch or Konzelmann, for example). These EEC firms, with annual capacities of 30,000-40,000 tons, have good performance records.

The major primary aluminum producers have become involved in secondary aluminum operations: VAW [Vereingte-Aluminum Werke, FRG], 35,000-40,000 tons from three plants; Alusuisse [Switzerland] through its French subsidiary SFRM, 25,000 tons; Alcan [Canada], 40,000 tons in Italy and 25,000 tons in Great Britain; and Affimet, the number-one, 70,000 tons from two plants.

American Example

But the secondary aluminum industry, like the electrolytic reduction industry, is a heavy industry in which large-scale savings are a must. Hence the attention centered on integrating facilities at Saint Jean de Maurienne in an effort to obtain a level of efficiency similar to that achieved by the

Wabash Alloy Company with its Wabash, Indiana plant (90,000 tons). This American company was one of the very few aluminum firms to make money during the disastrous year of 1982. The European-scale model company is Italy's Tonolli (60,000 tons) whose Carizio plant alone has a 50,000-ton capacity.

Affimet thus decided to reorganize by closing its Dammarie-les-Lys (Seine et Marne) facility and concentrating all of its capacity at its Compiègne plant with a capital investment of some 100 million francs over a 2-year period. But Affimet will also trim approximately 100 employees from its current 420-man workforce. So much for rationalization. Yet Pechiney plans to proceed even further in the future and calls Affimet "the base for its presence and expansion in the refining industry."

Actually, in a country where electricity is expensive, Pechiney cannot overlook this relatively less "energy-voracious" metal: it takes 2,600 therms to fabricate a ton of secondary metal versus 50,000 by the electrolytic reduction process. Furthermore, Pechiney feels that markets for its aluminum alloys are "reasonably assured." Oriented on foundry ingots, these alloys are used in automobile parts--engine blocks, transmission housings, cylinder heads--and household appliances.

The use of aluminum can become even more widespread. In Europe, the total aluminum content of automobiles has now already increased from 40 kilograms per car to 50 kilograms. In the United States, it has risen from 35 kilograms to 55 kilograms per car during the same period.

As a major producer of primary aluminum, Pechiney has produced proportionately less foundry ingots in alloy form: 70,000 tons out of a total of 170,000 tons of products supplied to foundries.

Refining accounts for barely half the metal used for foundry ingots whereas its worldwide share is 80 percent. Hence in France there is room for continued expansion. The potential for increased refinery and foundry output is great.

French per capita refinery production is only 2.8 kilograms compared with 6.6 kilograms in the FRG, 6.4 in Japan, 4.3 in Italy, 3 in the United States, and 2 in Great Britain. Similarly, foundry ingot production in France--3.4 kilograms per capita--is often lower than in other countries: 5.4 kilograms in Japan, 4.8 in the FRG, 4.1 in Italy, 2.6 in the United States, and 1.4 in Great Britain.

The limit to expanded production depends at this time on the use of scrap metal and the available amount of the latter cannot increase ad infinitum. Each ton of additional supplies is more costly. Nevertheless, Pechiney officials believe that in certain cases scrap resources are going to increase. For instance, the amount of aluminum recoverable from European automobiles will increase from 250,000 tons to 350,000 tons in 10 years.

The Pechiney industrial group thus looks enviously at the Americans who have been able to expand the market for aluminum beverage cans while concurrently developing effective scrap collection programs enabling them to recycle 500,000 tons of scrap in 1982.

BRIEFS

SHIPBUILDING FUNDS--The government has curbed capital spending. All ministries, except the Defense Ministry, have come to the rescue of the shipbuilding industry. The government has approved a cut of 2.7 billion francs in nonmilitary capital expenditures, thereby reducing the initial budget by 3.2 percent. In addition, it is going to trim 1 billion francs from the low-interest loans granted foreign countries that "buy French," thereby reducing the funds earmarked this year for such loans by 26 percent. These total cuts of 3.7 billion francs will enable the government to allot the same amount of money to shipbuilding. Added to the 1.6 billion already earmarked for this purpose in the budget, it will allow the government to implement the order for construction of five ships announced on 1 March 1984. The hardest hit ministerial budgets are: Transportation, 723.6 million francs or a cut of 8.1 percent; National Education: 629.2 million or minus 12.6 percent; and Industry and Research, 418.3 million or minus 4.2 percent. These combined cuts will mean an average reduction of 22 percent in governmental funds obligated for capital investment. They are in keeping with a policy designed to maintain a close watch on the budget by requiring every new expenditure to be matched by equivalent savings. The Ministry of Economy and Finance recently disclosed that "since 1 January the government has approved reallocation of nearly 11 billion francs in defense funds." Shipbuilding, retraining leaves for workers, and incentives to induce certain immigrant workers to return home, all form part of this reallocation program. And to save this 11 billion francs, the government will focus its efforts on five particular points: rigorous management of personnel resources in government departments and agencies (2 billion francs), operating costs (0.9 billion), subventions and current interventions (4.4 billion), loans to foreign countries (1 billion), and reallocation of equipment outlays (2.7 billion). [Text] [Paris LES ECHOS in French 2 Apr 84 p 2] 8041

MINIMUM WAGE INCREASED--Effective 1 May 1984, the minimum wage will surpass the 4,000 franc per month mark. This upward adjustment of the SMIC [Interoccupational Minimum Growth Wage] is triggered automatically by the increase in prices. The most recent increase in the SMIC occurred on 1 January 1984 and was based on the increase in prices as of the month of November 1983. From that date to the end of February 1984, the INSEE [National Institute of Statistics and Economic Studies] consumer price index indicates that inflation had risen 1.7 percent. When the March consumer price index is known--approximately 0.6 to 0.7 percent according to

estimates--the 2 percent increase mark which triggers the SMIC indexation mechanism will once again be topped. On a strictly price basis, the hourly SMIC rate will thus have to be adjusted upward by 2.3 to 2.4 percent, or approximately 23.30 francs per hour and 4,040 francs per month. But this increase could be even higher inasmuch as the government intends to give the minimum wage an additional boost at that time. Several reasons are advanced for this proposed government action: the absence of any compensation for the hike in social insurance taxes--additional 1 percent for old age insurance effective 1 January 1984 plus 0.20 percent for unemployment insurance as of 1 April 1984--whereas such compensatory action was taken last year when the UNEDIC [National Union for Employment in Industry and Commerce] tax was increased 0.4 percent effective 1 July. There has been little progress in various in-company labor-management talks on workers at minimum wage levels. Accordingly the government also intends to seize this opportunity to remind the social partners [labor and management] that it is in their interest to reach agreement on change in the lowest wage scales instead of being content with application of a regulation that dates back to 1970. Having succeeded, for the moment, in breaking the price-wage spiral and in excluding indexation and protective clauses from wage agreements, government officials would prefer contractual agreement to regulation. All things considered, although full compensation for the increase in social insurance taxes or contributions is most unlikely, the government does definitely seem to have decided to increase the minimum wage more than the rise in prices legally requires it to do--approximately 3 percent?--a decision that would also have the advantage of saving the government from another automatic increase on 1 July. This would limit upward readjustment of the SMIC to three times in 1984, provided the slowdown in inflation continues throughout the second half of 1984. [Text] [Paris LES ECHOS in French 3 Apr 84 p 4] 8041

CSO: 3519/327

GREENLAND, EC FISH AGREEMENT VIEWED AS THREAT TO ECONOMY

Copenhagen INFORMATION in Danish 21-22 Apr 84 p 7

[Article by Torben Krogh]

[Text] Iceland has broken its most fundamental traditions in an attempt to save the country's main industry in the long run--but the agreement between Greenland and the EC could get in the way.

Reykjavik--The most precious traditions, springing from generations of life-style and values, were ready to fall when the Icelandic parliament took up the future of Icelandic fishing around last Christmas. This, the freest of all industries, faced strict regulations and was itself aware that these regulations were unavoidable. Ironically, it was the liberal-conservative government that had to make the proposal. Even this government was forced to admit that there was no other way out. If fishing in Icelandic waters was to survive in the long run, something had to be done in 1984.

For this reason, Fisheries Minister Halldor Asgrimsson of the Progressive Party proposed that he be given the legal authority to set quotas and limit catches by individual ships and with specific types of fishing equipment. Most members of parliament expressed regret that this step was necessary and several nonsocialist members could not make themselves vote for it. But the proposal was approved by a large majority.

The fisheries minister had previously gained the support of the fishing industry's organizations. They had discussed and proposed the initiatives that were then passed by parliament.

"I understand perfectly well that these proposals were not made because these organizations wanted them, but they are the people who best understand the problem and they want the losses to be distributed evenly," Asgrimsson said.

In other words, everyone felt they were acting under the law of necessity. Before the debate in parliament the Ocean Research Institute, whose words weigh heavier in the Icelandic debate than those of any economic advisors, issued a shocking report on the 1984 catch. The institute recommended that the quota on the all-important cod catch be set at 200,000 tons. This may be compared to a cod catch of 280,000 tons in 1983 and 475,000 tons the previous year.

According to the institute, the 200,000-ton ceiling was necessary if there were to be a reasonable rate of growth in the total cod stocks in Icelandic waters during the coming years. If the quota were permitted to rise to just 250,000 tons, the total stocks would stagnate and the number of spawning cod would actually drop.

The report sent shock waves throughout Iceland. A 200,000-ton quota could have catastrophic results on exports, employment, and the overall economy. Fishing as a whole accounts for 70 percent of the country's exports and cod is by far the most important item, especially after the drastic reduction in the amount of the trash fish capelin that is caught.

Thus, the report from the Ocean Research Institute put politicians and fishermen alike in a classic dilemma. How should the social and economic interests be weighed against the more long-range need to maintain cod populations?

Last February when the fisheries minister exercised the authority given to him by parliament, it became clear that maintaining the fish population was of considerable importance to him. To be sure, he did not follow the recommendations of the institute, but the 220,000-ton ceiling he established and the quota regulations he introduced could have a serious impact on the economy as early as this year. The cod catch has not been as low as 220,000 tons since 1947 or 1948.

Against Fishermen's Nature

The quota system is especially controversial. Prime Minister Steingrímur Hermannsson stressed in a conversation with INFORMATION that the quota system for capelin, herring, and shrimp would be relatively simple to implement, since the ships used to catch them are rather unique.

"But all types of ships are used to catch cod, even small boats from little fishing villages. This means that the quotas create unequal conditions and, for this reason, there is strong opposition to them. They go against the very nature of the fishermen. And as soon as there are reports that the cod population is increasing, there will be demands that the quota system be abolished," the prime minister said.

For the time being, however, the quotas are in place and will be in effect this year. They represent a radical innovation in Icelandic fishing in that they apply to each individual ship and to specific types of fishing equipment. The distribution was based on the catch of each individual ship from 1 November 1980 to 31 October 1983.

Many fishermen believe that this system is unfair. It will force some of them to remain in port, even though the overall quota may not have been reached.

"Undoubtedly, there will be changes in the system," Steingrímur Hermannsson said. "This fall all the fishermen will hold a congress and, of course, the quotas will be the main topic of discussion."

The industry is already hard pressed financially because the fleet is too large. In 1972 when the fishing boundary was extended to 50 nautical miles and 3 years later to 200 nautical miles, new possibilities were opened to Icelandic fishermen. Previously, foreign vessels, especially British and West German ships, had taken up to 40 percent of the total cod catch from these waters. Now the Icelandic fishermen could take over in these waters.

Expectations grew beyond all bounds, as did the fishing fleet. There was speculation that the annual catch could reach 500,000 tons of cod and 1.5 million tons of capelin. During the best years, the expectations with respect to cod were almost realized, but the capelin catch dropped from 759,000 tons in 1980 to almost nothing 2 years later--only 13,000 tons.

But before the disappointment set in, so many vessels were built that there are now over 100 trawlers and at least 700 smaller ships. The result is that too many vessels are going after too few fish.

These circumstances have also created problems for the shipbuilding industry. Obviously, the number of new ships being built has now dropped drastically and many ship owners are in such difficult financial straits that they cannot even maintain their vessels properly. For this reason, Prime Minister Hermansson has raised the possibility of channeling foreign loans into the shipyards, so that they can do the necessary work on credit.

But the question for the fishermen, of course, is whether or not they should dare invest now under the present circumstances. The answer will depend, to a great extent, on whether 1984 will be seen as a low point in cod fishing, after which the quotas can be raised again.

Threat From EC

In this connection, current events off the eastern coast of Greenland are of enormous interest. Although marine biologists have not been able to determine the exact extent of fish migration, it has been established that large quantities of the fish caught in Icelandic waters come from Greenlandic waters.

Because of this, the agreement between Greenland and the EC has created concern in Iceland. Part of this agreement is that fishermen from the EC countries can catch considerable quantities within the Greenlandic fishing boundaries. The EC countries are permitted to catch 57,000 tons of Norway haddock, 17,000 tons of cod, and 4,350 tons of shrimp in the waters off eastern Greenland.

This represents an increase in the previous quotas imposed on the EC countries and, by Icelandic standards, these are enormous quantities of fish. Leaders in Reykjavik fear that there will be sharp reductions in the number of fish migrating into Icelandic waters.

Since the agreement between the EC and Greenland includes an annual payment of about \$22 million to Greenland, Icelanders see this as a kind of hidden export arrangement. It has been pointed out that, for a sparsely populated land with a small fishing fleet, it is relatively academic whether the fish is sold after being processed or is taken directly from the sea.

But the Icelanders are not bitter toward the Greenlanders because of this. Earlier this year, when the Icelandic parliament discussed the matter, there was general agreement that Greenland could not be criticized for its arrangement with the EC. There was some self-criticism, however, because the Icelandic authorities had not followed the negotiations in Brussels closely enough.

Foreign Minister Geir Hallgrimsson concluded that Iceland must now seek a fishing agreement with Greenland. He said that such an agreement could be based on the common interest of the two countries--namely that their waters not be emptied of the fish stocks upon which the economies of both countries are dependent.

9336

CSO: 3613/152

GOVERNMENT ADVISERS SPLIT ON ECONOMIC POLICY

The Hague ANP NEWS BULLETIN in English 18 Apr 84 pp 4-5

[Text] The Hague, April 18--The government's chief advisory council on social and economic affairs is sharply divided on how to spur Holland's incipient economic recovery, according to a report published here today.

The Social and Economic Council (SER), in its draft recommendations for government policy for the 1984-87 period, appears to have made little headway in efforts to bring about a consensus on how to tackle the country's problems.

After six months of talks the 15 employers' representatives on the 45-member council are calling for public spending cuts of 16 to 18 billion guilders in 1985 and 1986 to reduce the burden of state borrowing.

But the representatives of Holland's largest trade union organisation (FNV) describes such cuts as 'irresponsible' arguing that they will impede recovery and rule out effective measures to combat unemployment.

The FNV further comes out against any proposals which would widen the income gap between workers in industry and those in the public and semi-public sectors in 1985 and 1986.

By doing so the FNV has broken ranks with the protestant CNV trade union federation which is not insisting on equal treatment for the various income groups.

Lop-sided Recovery

The Dutch cabinet has agreed on spending cuts for 1985 of between nine and 10 billion guilders. This is about 30 percent more than foreseen in the government's initial economic plan drawn up in late 1982.

Finance Minister Herman Ruding has sweetened the pill for the people by holding out the possibility of tax cuts next year.

The cabinet is to decide in July how to split some of the funds it is saving in 1985 between deficit reduction and cuts in taxes or social security premiums.

A point on which the social and economic council's employers, trade unions and government appointed 'crown members' are agreed in today's report is that Holland's budding economic recovery is in danger of becoming lop-sided.

They noted that recovery was being seen largely in Holland's export sector, but that firms producing for the domestic market are feeling the brunt of reduced spending.

The council is also agreed that Holland's current level of unemployment, put at an average 85,000 for 1984, is unacceptable but it describes a recent forecast by the central planning bureau (CPB) predicting one million jobless by 1987 as 'too pessimistic'.

Job-sharing

Both employers and trade unions said increased economic growth alone was not enough to guarantee fuller employment, and called for a unified push for job-sharing and shorter working hours.

Yet disagreement was reflected in the report on the matter of the government's proposed tax and social security contributions cuts for Dutch industry.

Dutch News

Employers' representatives called on the government to confirm its commitment to private sector cuts, but trade unions suggested the burden be lightened specifically for those sectors hit hardest by the general drop in spending.

Government investment in infrastructural projects, for instance, could directly stimulate the nation's productivity, the unions said.

CSO: 3600/32

BRIEFS

RECORD COAL IMPORTS--Imports of coal, coke and anthracite from the Soviet Union will this year increase to a total of 1.7 million tons, which is a new record. In conjunction with the Soviet export fair at Helsinki last week, eight Finnish enterprises signed an agreement for the purchase of coal at a total amount of 20 million mark. Ovako signed a separate agreement for further purchases of coke. Previous agreements have been made for Soviet coal and anthracite deliveries totalling 700,000 tons, it is stated at Aspo. The value of the total imports of 1.7 million tons increases to nearly 700 million mark. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 25 Apr 84 p 4] 7262

CSO: 3650/196

DANISH GOVERNMENT PLACING NEW RESTRICTIONS ON NORTH RESEARCH

Copenhagen BERLINGSKE TIDENDE in Danish 3 May 84 p 7

[Article by Michael Rastrup Smith]

[Text] The Greenlandic Affairs Ministry now wants to tighten control over expeditions to Greenland. Many earlier expeditions have been hundreds of kilometers from the locations they reported. This will no longer be accepted.

In several days new, tougher regulations for expeditions to Greenland will take effect. Larger bank guarantees will be required for risky expeditions in the future and better reporting procedures will be required.

"Too many people on expeditions to Greenland believe it is like climbing around in the Alps, where a St. Bernard with a keg of rum will come to the rescue as soon as something goes wrong. But this is not the case in Greenland, where it can be extremely costly and difficult to rescue expeditions in trouble," said the head of the Commission on Scientific Studies in Greenland, Gregers Andersen, who will administer the new regulations.

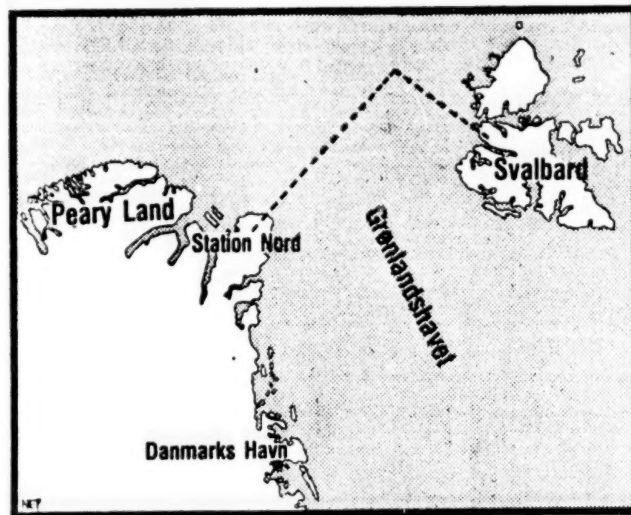
In addition to requiring more insurance coverage or bank guarantees for risky expeditions, the future regulations will require expeditions to indicate their planned route on a 1:250,000 scale map from the Geodetic Institute.

If changes are made in this route, they must be reported immediately by radio.

"Many times in the past, the Sirius sled patrol, which operates on the north-eastern coast, has met expeditions far away from their indicated route. This will no longer be tolerated," Gregers Andersen said.

A British expedition is one of the extremely risky expeditions the commission is permitting this year. Three men will travel by dog sled from the Norwegian island of Svalbard to Station Nord in northern Greenland. The route will cover 1,500 km.

"We told the members of this expedition that they cannot count on help if they run into difficulties. We probably will not be able to rescue them," Gregers Andersen said.



This year's boldest expedition to Greenland will travel this route. It will go from Svalbard to the final goal of Station Nord in northern Greenland. Drawing by Peer Lauritzen.

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BRIEFS

STRICTER SULFUR EMISSIONS LEGISLATION--Environmental Affairs Minister Christian Christensen (Christian People's Party) now wants to make his own proposed legislation on limiting sulfur emissions from power plants and industrial facilities even tougher, so that emissions would be reduced by as much as 40 percent by 1992. This reduction would be 10 percent greater than in the present proposal. This was indicated by the amended proposal the minister presented late yesterday evening, during consultations, to the environmental committee of parliament, where a majority (Social Democrats, Radical Liberals, and Socialist People's Party) have long demanded tougher antipollution regulations. Today the committee will make recommendations on the environmental affairs minister's proposed legislation and yet another compromise with the Social Democrats and the Radical Liberals is in the works. According to it, one existing power plant east of the Great Belt and one west of the Great Belt would reduce their sulfur emissions. According to the chairman of the environmental committee, Jens Steffensen (Christian People's Party), that would occur voluntarily. In other words, Elkraft and Elsam themselves would determine which plants would reduce their emissions and in what manner. [By Dan Axel] [Text] [Copenhagen BERLINGSKE TIDENDE in Danish 3 May 84 p 7] 9336

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